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REPORTS OF COMMITTEES

OF THE

HOUSE OF REPRESENTATIVES

FOR THE

THIRD SESSION OF THE FORTY-SECOND CONGRESS.

1872-'73.

IN THREE VOLUMES.

Volume 1....No. 1 to No. 97, except Nos. 77, 78, (parts 1 and 2,) 81, 82, and 95.
Volume 2....Nos. 77, 78, (parts 1 and 2,) 81, 82, and 95.
Volume 3....No. 96, Investigation of Indian frauds.

WASHINGTON:
GOVERNMENT PRINTING OFFICE.
1873.

42D CONGRESS, 3d Session. } HOUSE OF REPRESENTATIVES. { REPORT No 82.

CREDIT MOBILIER AND DUBUQUE AND SIOUX CITY RAILROAD.

FEBRUARY 24, 1873.—Ordered to be printed and recommitted with testimony already ordered to be printed.

Mr. POLAND, from the select committee on Credit Mobilier, (No. 1,) made the following

REPORT:

The select committee appointed under a resolution of the House passed December 2, 1872, having had referred to them a resolution of the House adopted January 24, 1873, in the following words:

Whereas it is alleged that members of this House have been interested in the railroad from Dubuque to Sioux City, which has received a subsidy in public lands, and has been managed by some of the operators of the Credit Mobilier of America: Therefore,

Resolved, That the select committee appointed December 2, 1872, to investigate alleged transactions of said Credit Mobilier with members of this House, be instructed to inquire whether any member of this House has been interested in the construction, contracts, the stock, bonds, or subsidy of said railroad from Dubuque to Sioux City, and especially that part thereof which was constructed by the Iowa Falls and Sioux City Railroad Company;

proceeded to take evidence relating thereto, and now beg leave to submit the following report thereon:

On the 15th day of May, 1856, Congress passed an act granting to the State of Iowa certain public lands to aid in the construction of four lines of railway across the State, from the Mississippi River to the Missouri River. The grant was of alternate sections of land on each side of the four several lines of road, and six sections in width.

The act provided that if either of said roads should not be completed within ten years, the lands should revert to the United States. The act contained various limitations and restrictions not necessary to be stated in this report.

One of said lines of road was from the city of Dubuque, on the Mississippi, to Sioux City, on the Missouri River.

The legislature of Iowa chartered a company, for the purpose of building a railroad upon this line, called the Dubuque and Sioux City Railroad Company, and assigned to that company the right to the lands granted by Congress. This company proceeded to construct a railroad upon this line from Dubuque to Iowa Falls, a distance of about 120 miles, within the life of the land-grant, and received the benefit of the lands along the line as far as they completed the road, but the residue of the road, about 180 miles, they failed to construct, and the ten years allowed by Congress to construct the road expired. At some time during this period the Dubuque and Sioux City Company made a lease of their road to the Illinois Central Railroad Company for twenty years, with a right

of perpetual renewal, and the road, as far as completed, was operated under said lease by the Illinois Central.

In November, 1867, John I. Blair, Platt Smith, John F. Duncombe, and William W. Walker, under a general law of the State of Iowa, formed an incorporation by the name of the Iowa Falls and Sioux City Railroad Company, for the purpose of building a railroad from Iowa Falls to Sioux City. Soon after the formation of this latter company it entered into a contract with the Dubuque and Sioux City Railroad Company, by which the latter company transferred to the former so much of their road as remained to be constructed, the franchise, right of way, &c., and the residue of the land-grant. The contract contained certain stipulations as to connections and business between the two roads, and the new company was to be within the terms of the lease to the Illinois Central.

A bill was introduced into the Iowa legislature, January 30, 1868, for the resumption by the State of all the rights granted by the State to the Dubuque and Sioux City Company, except so far as they had built their road. This bill became a law on the 10th of March, 1868. On the 7th of March, 1868, a bill was introduced into the legislature of Iowa to legalize, confirm, and carry out the contract between the Dubuque and Sioux City Railroad Company and the Iowa Falls and Sioux City Company, to extend the time for building the road from Iowa Falls to Sioux City, &c. This bill was finally passed April 7, 1868. By the terms of this bill all the rights of the Dubuque and Sioux City Company to build the railroad from Iowa Falls to Sioux City, and to the lands along the line, were transferred to the new company.

On the 5th of December, 1867, a bill was introduced in Congress to extend the time for the completion of the railroad from Dubuque to Sioux City to the 1st day of January, 1872, and reviving the grant of lands by Congress to the State of Iowa along that line. This bill passed both Houses, and became a law March 2, 1868.

Mr. John I. Blair, of New Jersey, a gentleman largely engaged in railroad enterprises, especially in the State of Iowa, was the active man in getting up the new company, and in procuring the legislation in Iowa and in Congress above mentioned.

The committee could find no evidence tending to show that either State or congressional legislation was procured by any improper means, or that improper influences were in any way exerted.

In June, 1868, Mr. Blair opened a subscription for the purpose of raising money to build the road from Iowa Falls to Sioux City. The subscriptions were for stock in the Sioux City Railroad Contracting Company. When or how this company was formed did not appear, but the terms of this subscription were confined wholly to building this railroad. Subscriptions were taken by Mr. Blair up to the time of the completion of the road, in 1869, and finally amounted to about eight millions of dollars.

The subscribers were to pay assessments upon their subscriptions as money should be wanted for the construction of the road, and at the end they were to receive their *pro rata* proportion of stock and bonds of the road, and thus be its sole owners when completed. The road was built wholly with money thus collected, which was 57 per cent. upon the subscriptions, the cost of the road being a little over four and a half millions of dollars. When the road was completed, bonds to the amount of sixteen thousand dollars per mile were issued, secured by a mortgage of the road, and stock of the road was issued to the same amount, and these were divided among the subscribers.

Among the subscribers was Mr. Oakes Ames, then and now a member of Congress from Massachusetts, and he and his firm and members of his family subscribed $950,000; Samuel Hooper & Co., of Bos subscribed $200,000. Mr. Samuel Hooper, of the House, is the senior member of the firm. Mr. William B. Allison, of Iowa; Mr. James F. Wilson, of Iowa; Mr. J. W. Grimes, of Iowa; Mr. F. A. Pike, of Maine; and Mr. G. W. Scofield, of Pennsylvania, were also subscribers, and were at the time members of Congress.

The committee do not deem it necessary to go into any special detail as to these persons, as they find that their subscriptions were all made at a considerable period of time after the action of Congress extending the land-grant and the action of the Iowa legislature, and that no one of them was in any way, directly or indirectly, interested in the road at the time of this legislation. For this reason we omit any detail of the action of either of these men, in Congress, on the subject of the renewal of the land-grant. The details will be found in the evidence, and those desiring information as to that matter are referred to it.

Among other subscribers were Messrs. A. & P. Coburn, of Maine, to the amount of $200,000. It was claimed that this subscription was made in whole or in part for the benefit of Mr. Blaine, the present Speaker of the House, and we have therefore investigated that matter and all connection of Mr. Blaine with the road.

The Coburns are gentlemen of large wealth, and have been concerned largely in railroad and other business enterprises for many years. In some of these matters Mr. Blaine has been connected with them. In the latter part of 1868, or early in 1869, Mr. John I. Blair, before mentioned, spoke to Mr. Blaine about becoming a subscriber toward the building of this road, and Mr. Grimes also had similar conversation with him. Mr. Blaine said that he was not then in a condition to become a subscriber, but that, from their representation of the character of the investment, he thought the Messrs. Coburn might desire to do so. At the suggestion of Mr. Blair or Mr. Grimes, Mr. Blaine wrote to the Messrs. Coburn on the subject, and it resulted in their making the above-named subscription. We find that Mr. Blaine had no share or interest whatever in the subscription made by them.

In 1870 and 1871 Mr. Blaine purchased about twenty thousand dollars of the bonds issued by the Iowa Falls and Sioux City Company at 80 cents on the dollar.

In January, 1872, in a settlement of some matters between Mr. Blaine and the Messrs. Coburn, he let them have a portion of these bonds at 90 cents on the dollar, and at the same time he took from them a quantity of the stock of the road at 60 cents on the dollar.

Except by the ownership of the bonds and stocks thus purchased by Mr. Blaine, the committee find that Mr. Blaine had no interest whatever, at any time, in said Iowa Falls and Sioux City Railroad.

The committee find no occasion to recommend any action of the House under the resolution referred to them. They, therefore, report the same back to the House, with a recommendation that it do lie upon the table.

TESTIMONY.

WASHINGTON, D. C., *January* 25, 1873.

OAKES AMES sworn and examined.

By the CHAIRMAN:

Question. Do you know this railroad from Dubuque to Sioux City?—Answer. I have never been over it; I understand there is such a railroad.

Q. What is the name of the company or corporation of the railroad from Dubuque to Sioux City?—A. The railroad from Dubuque to Iowa Falls was built some years ago. They had a land-grant of six sections to a mile, I think, from Congress. There was a company organized called the Iowa Falls and Sioux City Contract Company, that agreed to take the land-grant and complete the road which they had not built.

Q. What were the limits of the road as it was chartered?—A. I do not know anything about it. I have never examined it at all. I am a stockholder in it. I was elected a director; I do not know whether I am one now or not. I have not been out there or attended any meetings for two years.

Q. Do you know the distance from Dubuque to Iowa Falls?—A. No, sir.

Q. The building of the road was taken up by this company of which you speak?—A. Yes, by the Iowa Falls and Sioux City Contracting Company.

Q. Was that a corporation created by some body or a mere partnership?—A. Yes, they were incorporated under the laws of Iowa, as I understand.

Q. It was not a railroad company?—A. It was a company to construct a railroad.

Q. It took the place of a railroad company?—A. Yes.

Q. Did that company build the rest of the road through to Sioux City?—A. Yes, sir.

Q. Do you know the length of the whole road?—A. I do not know. I think the length we built was about one hundred and eighty miles from Iowa Falls to Sioux City. I am not sure of the distance.

Q. The company named in the resolution of the House referring the matter to this committee is the Iowa Falls and Sioux City Railroad Company.—A. I do not know about that. The company to which I refer is a contracting company. I did not know that there was any Credit Mobilier attached to it. I never heard it applied to that company before.

Q. Do you know anything in regard to the building of the first part of the Dubuque and Iowa Falls road?—A. No, sir.

Q. Were you a member of the new company?—A. I was a subscriber to the stock and was a director part of the time.

Q. Can you state when it was that company was formed?—A. I cannot; I cannot remember dates.

Q. The company is still in existence?—A. I think so.

Q. Do you know who the officers of the company are at present?—A. I think Horace Williams, of Clinton, Iowa, is president.

Q. Do you know where the office is kept?—A. I think at Cedar Rapids.

Q. Do you know who the secretary is; who has custody of the books?—A. No, sir.

Q. You are a stockholder in that company. Do you know who are the other stockholders?—A. I do not know who the stockholders are. I do not know that I ever saw a list of them.

Q. Do you know any man who is a member of the present House of Representatives who is a stockholder?—A. I do not know that I do. I never saw the stock-book, that I remember.

Q. Did you have much to do with the company?—A. No, sir.

Q. Who was the active man that took charge of its affairs?—A. John I. Blair, of Blairstown, New Jersey. He was the president of the road, and the road was constructed and managed by him almost exclusively.

Q. Does he live in New Jersey now?—A. Yes.

Q. This new company, that was formed in some way, had the benefit of the land-grant for building the road?—A. Yes, of course. It could not have built the road without it, and it didn't pay with it. Mr. Blair did the whole thing, and had the entire management of it.

Q. You think Mr. Blair is not president of the company now?—A. No, sir; he is not.

Q. Is he connected with it as an owner or shareholder?—A. Yes; he is one of the largest owners.

Q. You are still a shareholder?—A. Yes. I would like to sell some of the stock to anybody who is not a member of Congress.

By Mr. MERRICK:

Q. Then the Dubuque and Sioux City Railroad is the same as the Iowa Falls and Sioux City Railroad Company?—A. No, sir; it is a separate corporation.

Q. There are two different roads?—A. The original charter, I think, was to build the road from Dubuque to Sioux City. The company you name constructed that part of the road. Then a new compaby was formed, and they turned over the land-grant for what was yet to be built, and the new company completed the road.

Q. We are directed by this resolution to find out, if we can, what members of Congress had to do with this corporation. Do you know about that?—A. It is my impression that Mr. Allison was a subscriber to the stock, and myself. I understood Mr. Blaine was interested in the Coburn's subscription. Mr. Alley was in it, but he is not a member of Congress. He is a stockholder now, and I think a director.

Q. Was Mr. Wilson, of Iowa, also a stockholder?—A. I do not remember.

By the CHAIRMAN:

Q. How did they become stockholders?—A. By paying their money, as all the rest did.

Q. Do you know of any who had stock in that without paying for it?—A. No, sir; nobody got any stock in that road without paying for it.

Q. No stock was given to members of Congress to your knowledge?—A. No, sir; I never heard of such a thing.

Q. This new company was formed under the laws of Iowa, you state. Was there any congressional legislation or congressional action in regard to putting the land-grant into the hands of the new company?—A. No, sir; not to my knowledge. I never heard of any.

Q. Was there ever any of your stock disposed of here in Washington in any way?—A. I never heard of any.

Q. Had you ever any dealings with members of Congress about it?—A. No, sir; not to my knowledge.

Q. So far as you know, every member of Congress who had any interest in it obtained that interest by subscribing for the stock and paying for it?—A. Yes, sir.

Q. Was there anything that was immoral, illegal, or corrupt in the ownership or in the transactions about this road in any way?—A. No, sir.

Q. Has that road any connection with the Union Pacific Railroad?—A. No, sir.

Q. Neither in its business nor its affairs in any way?—A. It runs from Dubuque to Sioux City. The Sioux City and Pacific Railroad commences at Sioux City, and runs down the river and strikes the Union Pacific Railroad at Fremont. That is the Iowa branch of the Union Pacific Railroad. But this road has no interest in it, and no connection with it in any way.

Q. That road extends from Sioux City west and southwest?—A. Yes.

Q. Has this road from Dubuque to Sioux City any connection at all with this other road you speak of?—A. No, sir; none whatever, except to take passengers like any other connecting road.

Q. It has no business connections with it?—A. No, sir.

By Mr. MERRICK:

Q. This company is covered by the same general legislation as the other Pacific roads?—A. O, no; this road has a land-grant which was voted to the State of Iowa, if I remember right, in 1856. I think the Government made a grant to Iowa for four lines across the State, for six sections to the mile. The remainder of the grant for that line of road was turned over to this company to build it.

Q. Did not this road get some of the bonds and subsidies like the Union Pacific Railroad?—A. No, sir; nothing but six sections to the mile, which was voted in 1856.

Q. Congress gave that to the State of Iowa?—A. I think so; that is my impression.

Q. By Iowa it was turned over to this company?—A. They certified to the completion of the road, which gave the company the right to go to the land-office and have the land surveyed. That is all there is of it.

Q. You say you do not know of any member of Congress concerned, either in the bonds or stock of this road, or the bonds and stock of the construction company which built it, except as you have stated?—A. There were no bonds from the Government, and nothing to do with the Government. The parties who raised the money to build the road paid in cash. The company bonded their road, I think, for $16,000 a mile. They issued bonds to their stockholders for the money paid in, the same as has been done in the construction of nearly all the railroads in the West.

Q. What other members of Congress were interested in it?—A. I was a member of Congress. I put in my money and I received my bonds for the money. I know of one positively. The rest I do not know about. I suppose they became interested by virtue of their subscriptions, the same as I did.

By Mr. MCCRARY:

Q. Has that railroad been to Congress for any legislation since the original grant in 1856?—A. Not to my knowledge. We thought at first it would be a profitable investment.

Q. What do you know in regard to any members of Congress being interested in it?—A. I think Mr. Blaine had some friend in Maine, by

the name of Coburn, who advanced money for a subscription which he made, and they divided the profits and he paid interest on the investment. That was my understanding. I understood, at the time, that the Coburns of Skowhegan, very wealthy men, offered to advance the money to Mr. Blaine for anything he thought was a good operation.

Q. Did he become a stockholder?—A. That is my impression.

Q. Have you any personal knowledge on the subject?—A. I think he paid the assessments the same as I did.

By Mr. MERRICK:

Q. You have no knowledge touching Mr. Blaine's connection with this except what you saw on the books?—A. I have not.

Q. Have you any recollection how many shares stood in his name on the books?—A. No, sir.

Q. Had you any conversations with him in reference to it here? Did he make any statement of his ownership in it?—A. I cannot recollect. I got the impression, I think, from him that he subscribed for the stock when we thought it was going to be a good investment. We have been rather disappointed in regard to it. We have received no dividends yet, although we put in our money four years ago. We built it through a new country, where there was not a house for 20 or 30 miles. The country has got to be built up. We are beginning to sell land somewhat now. The alternate sections of the Government of course have to be taken up first. The road has not yet paid its running expenses. We hope it will be profitable when the country is settled up. Mr. Alley, I think, is a director, and a man of very excellent memory, and will be able to tell you a good deal more about it than I can.

WASHINGTON, *January* 25, 1873.

JOHN B. ALLEY sworn and examined.

By the CHAIRMAN:

Question. Are you a stockholder in the railroad from Dubuque to Sioux City, Iowa?—Answer. From Iowa Falls to Sioux City, I am; the road is the Iowa Falls and Sioux City Railroad.

Q. Is that a distinct company from the one having the road from Dubuque to Iowa Falls?—A. Yes, sir; a distinct corporation, with different stockholders and a different board of directors. It is my impression that both are under lease to the Illinois Central Railroad.

Q. Do you own any stock in the Dubuque and Iowa Falls Railroad?—A. No, sir.

Q. When did you become a stockholder in the Iowa Falls and Sioux City road?—A. I subscribed to that stock four years ago.

Q. Did you become a stockholder before that road was built?—A. Yes; I became a stockholder of the Sioux City and Iowa Falls Contracting Company, I think, at the time Mr. Ames did. Quite a large number of us subscribed, I believe, in all, some $7,000,000.

Q. Was that contracting company a different thing from the railroad company?—A. Yes, sir; but the same parties who were in the contracting company became the owners of the road; they furnished the money to build the road and received in payment the stock and bonds of the road, the lands and everything.

Q. Are the contracting company and the railroad company different corporations in a legal sense?—A. They are in a legal sense; the stockholders are the same.

Q. Entirely so?—A. I think entirely so. I do not think there is a stockholder in the road who is not a stockholder in the contracting company; at least there was not a short time ago.

Q. That is, the contracting company that built the road received the whole stock of the railroad company in part payment for building the road?—A. Yes, sir; the contractors were the owners.

Q. There were a number of shareholders in this contracting company?—A. Yes, sir; I think nearly all the western roads are built in this way, by contracting companies.

Q. How did they get their pay?—A. They were paid in the bonds and stock of the road and they had the lands.

Q. Did they become owners of the land by becoming owners of the stock?—A. The stock carried the land with it.

Q. Were you a member of Congress at the time you became a member of that contracting company?—A. No, sir; I do not think there were any except that perhaps Samuel Hooper was a small owner and Mr. Ames. Mr. Ames was one of the largest stockholders. He has been largely instrumental in building nearly all the Iowa roads. I think they were all built in that way.

Q. Has anything ever been done by Congress in relation to that road in any way?—A. I never heard of Congress having anything to do with it in any shape or manner.

Q. Has that road any connection with the Union Pacific Railroad in any form?—A. None whatever that I know of.

Q. Have they ever given or sold any stock to any member of Congress?—A. No, sir, not to my knowledge; I never heard of any such thing or of any such suggestion.

Q. Never tried to corrupt anybody?—A. No, sir; these lands were conveyed to the State of Iowa, as Mr. Ames stated, as long ago as 1856 for the purpose of building a road, and I do not know of any legislation by Congress since in relation to it.

By Mr. McCRARY:

Q. It was about four years ago that this construction company was formed?—A. My impression is that I made my subscription in the autumn of 1867; it was since that that the entire amount of $7,000,000 was subscribed to the contracting company.

Q. Do you know why the land-grants had remained so long without being appropriated or used?—A. I do not; I do not know anything about that; I had very little to do with it until within the last year. They chose me a director, and since then I have informed myself somewhat about it.

Q. You do not know whether there was any legislation by Congress extending the land-grant?—A. There may have been. I paid very little attention to it, until a year or a year and a half ago, when I was made a director; since then I have given it some attention. I have quite a large interest in it.

By Mr. NIBLACK:

Q. I understand that in point of fact there was an act of Congress in 1868 extending the grant?—A. I do not know of it.

By Mr. BANKS:

Q. How much of the $7,000,000 subscribed had been put in up to the time of the completion of the road?—A. I think about $4,000,000. The $7,000,000 was subscribed by capitalists all over the country. I do not think any member of Congress subscribed except Mr. Hooper and Mr.

Ames; Congress had nothing whatever to do with it that I ever heard of, except to pass the original act.

By Mr. MERRICK:

Q. There were no Government directors for that road?—A. No, sir; the Government never had anything to do with it. It was a private corporation, as much so as any railroad corporation in the western country, except that they received from the State of Iowa this grant of land upon condition that they would build a first-class road, which they did build.

Q. Was this company concerned at all in a bill before the House the other day for confirming the title to certain lands in Iowa?—A. No, sir; I think not; my attention has not been called to any bill in which this road was interested at all.

WASHINGTON, D. C., *January* 28, 1873.

JOB E. STEVENSON, a member of the House of Representatives from the State of Ohio, having been called for the purpose of stating the information upon which he offered the resolution in the House of Representatives, ordering this investigation, was duly sworn and made the following statement:

I will state to the committee that Mr. Oakes Ames informed me that certain members of the House, including, I believe, Mr. Alley, a former member, and himself, and Mr. Blaine—I do not remember whether there were other names mentioned at that time—were interested in this railroad. He stated that there was a construction company contract in regard to it similar to that under which the Union Pacific Railroad was built, and that, if we wanted to make an examination, we had better examine into all the land-grant railroads; that we would find that the Union Pacific road was the best among them. He did not give the amount of stock held by any one except by Mr. Blaine. He said he understood Mr. Blaine held, either in his own name or in the name of Mr. Coburn, of Maine, whose first name he did not give me, but who was said to be a very wealthy man, who had agreed to put funds into the hands of Mr. Blaine for such investments; that Mr. Blaine had an investment in this road to the amount of $100,000 in that way, either in his own name or in Mr. Coburn's name. He stated further that Mr. Blaine had recently, within a year or two, I think he fixed the date, purchased the bonds of this company of Mr. Ames, in order to settle with the Coburns. I think he said Mr. Blaine had bought $10,000 or $20,000 of these bonds; that he had bought them at 80 cents on the dollar, and that he understood Mr. Coburn had taken them at 90 cents on the dollar.

By Mr. BLAINE:

Q. When did this conversation with Mr. Ames occur?—A. One or two days before I offered the resolution in the House.

Q. Did it not occur at the Arlington Hotel, at dinner, on the evening after you offered the resolution?—A. No, sir.

Q. Are you very sure about that?—A. We had a conversation afterward.

Q. And were any of these details you have mentioned given then?—A. No, sir; my recollection is, and I am very sure of it, that these details were given me before I offered any resolution whatever, although I had subsequent conversations and endeavored to get more particular

details of Mr. Ames as to these matters. I believe that is the substance of the information I had before offering that resolution. I have subsequently, from other persons, obtained further information, but it has all been hearsay.

Q. Then, I understand you, the "whereas it is alleged" had reference to information you had received from Oakes Ames?—A. From Oakes Ames; yes. I have since obtained further information, but it is also hearsay. I understand the committee desire to obtain only the information on which I based my resolution originally.

The CHAIRMAN. That was the object, but if you have other information the committee would be glad to learn it.

Mr. STEVENSON. All the information I have is derived from witnesses who have been or will be called in this case. I have no objection to stating what it is. Of course it would not be worth much. . .

The CHAIRMAN. It may be in the nature of hearsay, but if you regard it as authentic, and which will enable the committee to obtain track of information, the committee will be glad to know it.

Mr. STEVENSON. An additional statement came to me from Mr. Alley—John B. Alley, I believe. I never saw him until he was introduced to me by Mr. Ames at the Arlington Hotel. He said that this company was organized in 1867.

Q. The railroad company or construction company?—A. This Iowa Falls and Sioux City Company, which took the remaining part of the land-grant originally given to the Dubuque and Sioux City Company; that this company was organized in 1867; he was a stockholder himself, and Mr. Ames was a stockholder also; I think he said Samuel Hooper & Co., of Boston, were stockholders, and that some gentlemen in Boston was the company. He had not any personal knowledge of Mr. Blaine being a stockholder; but he said he understood Mr. Blaine was engaged in that sort of business. He went over the details to me in a vague way. He did not seem to have much personal knowledge of the transaction. These are the main points I remember.

By Mr. MERRICK:

Q. This company was organized under the general laws of the State of Iowa?—A. I do not know. I have not been able to find the law under which it was organized. I presume under some general law. I perhaps should further state that before proceeding in this matter I examined the statutes and found in vol. 11 Statutes at Large, the original act of May 15, 1856, which gives the grant of land to the State of Iowa under which the Dubuque and Sioux City Railroad Company took their land-grant. I find that by section 4 of that act the grant was to expire in ten years after the date of the act, which would be May 15, 1866. I find further, that in vol. 15 Statutes at Large, page 38, there is an act "extending the time for the completion of the Dubuque and Sioux City Railroad." The date of that act I have not here, but I think it is March 2, 1868. I also examined the Journal of the House for that session of Congress and find that that act was House bill 208, "A bill extending the time for the completion of the Dubuque and Sioux City Railroad;" that the bill was introduced by A. W. Hubbard, who, I believe, was from Iowa, on the 5th of December, 1867. It was reported from the Committee on the Public Lands, with amendments, January 15, 1868, by Mr. Hopkins, of Wisconsin, and thereupon Mr. Washburne, of Illinois, raised a point of order, which was overruled, and appeal was taken from the decision of the chair, and on the vote sustaining that decision I find that several parties interested voted to sustain it. I should say,

however, from what little knowledge I have of parliamentary law, that the point of order was not well taken and it was properly overruled.

By Mr. BLAINE:

Q. You do not mean to imply that I was Speaker at that time?—A. No, certainly not; not then Speaker, but as well posted on the rules as any person in the House, and voting, as I think, entirely right.

Q. Was I voting?—A. Yes, sir. The gentleman voted to sustain the Speaker's ruling over ruling the point of order. The point of order was that Mr. Hopkins having refused to yield to interruption by Mr. Washburne, and then yielded to another gentleman, was out of order in so yielding to the other gentleman. Mr. Washburne's object was evidently to gain time, as it was near the close of the proceedings of the day.

By the CHAIRMAN:

Q. I see by the Journal before me that nobody voted in the negative.—A. No; I believe not. The ruling was certainly one upon which everybody would have voted in the affirmative. That is the only vote in favor of this grant given by Mr. Blaine which is recorded, and I, however, should explain that this would not indicate that he was necessarily in favor of the grant. The first reference I have made to the Journal is on page 38; the second reference is on page 191. The next reference is on page 198. January 16, 1868, the House resumed the consideration of this bill; Mr. Washburne moved to lay it on the table, on which the yeas and nays were ordered, and the Journal shows 34 yeas, 104 noes; not voting, 50. Among those voting in the negative, against laying upon the table, I find the name of Oakes Ames. Mr. Blaine is among those not voting, and Mr. Allison did not vote. The question was then put on ordering the bill to be engrossed and read a third time, and the vote stood 106 yeas to 27 nays; 55 not voting. Mr. Ames voted in the affirmative. Mr. Julian did not vote.

Mr. Julian then moved to reconsider the vote last taken, which vote was taken by yeas and nays, and resulted 27 in the affirmative and 92 negative.

By Mr. BLAINE:

Q. Which side did Mr. Julian vote on?—A. I believe that Mr. Julian voted in the negative.

Q. Not against his own motion?—A. Yes, sir.

Q. Can you tell the reason for that?—A. He favored the bill.

Q. Why, then, did he move to reconsider?—A. I suppose, perhaps, to clinch the other vote.

Q. Then he should have moved to reconsider and to lay the motion to reconsider on the table.—A. I do not know about that.

Q. I can help you, perhaps, about that.

The WITNESS. I do not need help. Other people may need more help than I shall. I do not pretend to explain the intricacies of parliamentary law; I merely state what I discover on the journal. Among those who voted on this motion appears the name of William B. Allison. The House having refused to reconsider that vote, the bill was then ordered to be engrossed and to be read the third time, and was read the third time and passed. Mr. Hopkins moved the previous question on the passage of the bill. No call of the yeas and nays appears on the passage of the bill. Mr. Hopkins then moved to reconsider the vote by which the bill was passed, and also moved to lay the motion to reconsider on the table, which latter motion was agreed to. The 19th February, 1868, the Senate reported to the House that it had passed this

bill, with amendments. The 26th February, 1868, page 411, House Journal, I find that the House proceeded to the consideration of the bill. Mr. Allison moved the previous question. On motion of Mr. Washburne, the House took a recess until 7 o'clock of that day. After the recess, the House resumed the consideration of the bill, and the question being on the demand for the previous question, Mr. Allison withdrew the demand. After debate he renewed the demand for the previous question, which was seconded and the main question ordered, and under the operation thereof the House concurred in the amendments of the Senate. The vote last taken was reconsidered, and the motion to reconsider laid on the table. The subsequent proceedings were the reporting of the enrolled bill and the signing of the bill. I have also examined the Globe to see what the debate in the House upon the bill was. I find that Mr. Washburne made a strenuous opposition to it; that Mr. Julian supported it, the gentlemen who reported it supported it, and Mr. Peters made a humorous and effective speech in favor of it, rebutting the speech of Mr. Washburne. That is all I remember of the details. Mr. Blaine took no part in that debate that I can discover.

By Mr. MCCRARY:

Q. Did Mr. Ames say anything to you to the effect that any improper influence was used to procure this grant?—A. None at all. On the contrary Mr. Ames has continually said to me that he did not consider there was anything improper in any of this Credit Mobilier business, and there is no doubt that is what he meant when he said this was as bad as any. I will say in justice to him that he always insisted that none of it was bad.

OAKES AMES recalled and examined.

By Mr. BLAINE:

Q. Mr. Stevenson states that to the best of his recollection the resolution offered by him in the House, directing this investigation, wherein it is alleged that so-and-so occurred, was based upon information obtained in a conversation you had with him on the subject, in which you gave some of the details of my ownership of stock in the road, as the investment of the Coburns, of Skowhegan, Maine. I asked Mr. Stevenson whether that conversation occurred before or after the resolution was offered, to which he replied that it was before. Did you have any such conversation with him before the resolution was offered?—A. No, sir.

Q. It was after the resolution was offered?—A. Yes, sir.

Q. The day afterward?—A. It was the day or night after the resolution was offered, after I had returned to the hotel.

Q. You have a distinct recollection in regard to it?—A. Yes, sir. I did not know what the resolution meant, and I told him he had the wrong road in his resolution. He included in the resolution the Dubuque and Sioux City Railroad. I told him he had the wrong name.

Q. You are very positive that Mr. Stevenson had no information from you before he offered the resolution?—A. Yes, I am positive of that.

Q. Then the allegation of Mr. Stevenson, that he based his resolution upon information received from you is not supported by your recollection, but distinctly contradicted?—A. On the contrary, I did not know what the resolution meant until afterward, when I inquired of him what it meant.

Mr. BLAINE. Mr. Ames told me the next day that Mr. Stevenson and he had a conversation at the Arlington Hotel at dinner, on the same day, after the resolution was offered, in which Mr. Ames expressed surprise and thought Mr. Stevenson had got hold of some wrong idea. What I wanted to bring out was that in the allegation made by Mr. Stevenson, that he offered the resolution upon information derived from Mr. Ames, he does not state truthfully.

By Mr. STEVENSON to Mr. AMES:

Q. You have frequently stated here that your recollection of dates is very indistinct?—A. Yes, sir.

Q. Have you not stated to me that your recollection of dates is very poor?—A. I have.

Q. Did not you state to me that you do not know when this company was formed?—A. Yes, sir.

Q. Did not you state to the committee the other day, in your testimony, that you did not know whether you were now a director of the company or not?—A. Yes, I said I thought I was, but was not sure.

Q. Did you not state that you had never been over the road?—A. Yes.

Q. Are you not the largest stockholder in that railroad company?—A. I am not sure. I think there may be one larger.

Q. What is the amount of your stock?—A. I cannot tell you.

Q. What is about the amount?—A. I do not remember. I think I subscribed about $500,000 or $600,000 of the stock. We were assessed, as I remember, about 57½ in cash, which built the road. I cannot remember the date of my conversations with you on the subject of this resolution; but I know it was after you had offered the resolution in the House. I know that I was rallying you about what you knew on the subject.

Q. Have you not had many conversations with me on the subject?—A. Yes; but the first one was after you offered the resolution. As I have stated, I did not know what the resolution meant, and I was inquiring of you about it.

Q. Is not it a fact that our conversations have been frequent and constantly recurring on this subject ever since this investigation began?

WITNESS. What subject?

Mr. STEVENSON. Upon the subject of the Credit Mobilier.

A. Oh, yes; but not upon the subject of your resolution. I never heard of it until you offered it, and then I did not know what it meant.

Re-examination of Mr. STEVENSON.

By Mr. BLAINE:

Q. I would like to ask Mr. Stevenson, as there is a conflict of recollection between him and Mr. Ames in regard to the information on which the resolution was based, whether you did not receive an anonymous letter in regard to that?—A. No, sir; none whatever. The only information on this subject I had was from Mr. Ames.

Q. Have you spoken with other persons in regard to your motive in moving this resolution?—A. I have spoken to one or two members; yes, sir.

Q. Have you ever said to them that you thought you had something that would catch the Speaker?—A. I do not remember using that expression, but may have said something to that effect.

Q. Did you ever say anything of the sort to Senator Stevenson, of Kentucky?—A. Not that I remember.

Q. You had no conversation with Mr. Stevenson to that effect?—A. Not that I remember.

Q. Are you pretty sure upon that point?—A. I may have mentioned your name to him, but not to go into it. I think, perhaps, I said something to him about this inquiry one day upon the street.

Q. That you thought you had "caught the Speaker," or words to that effect?—A. No, sir; not to him.

Q. Not to him, but to others?—A. I have not used that rough expression.

Q. But that was the point?—A. I have intimated that I thought I had something which involved the Speaker in a land-grant transaction.

Q. Do you think you can say under oath that your motive in offering that resolution was the public good, and inquiry into a transaction in which you believed there had been legislative corruption, or was it, as has been reported to me, to "catch the Speaker," or language to that effect?—A. I may say that my controlling motive was to expose the Speaker if he was in this transaction. I will say further in answer to your question that I stated to Senator Stevenson, and I think to the most of the gentlemen with whom I have conversed upon this subject, that this question involved not only the operations of the Credit Mobilier, but the operations of all the members of Congress who dealt in land-grants and subsidies to railroads, such grants being made while they were in Congress. I have said further that if it were true that the Speaker of the House was engaged, while Speaker, in such transactions, it was a moral offense equal to that of speculating in Credit Mobilier stock. That was my view.

Mr. BLAINE. He ought to be exposed if he did anything wrong, and I will help you to expose him.

WASHINGTON, *January* 28, 1873.

JAMES G. BLAINE, Speaker of the United States House of Representatives, having been duly sworn, made the following statement:

I will now, Mr. Chairman, with the permission of the committee, give a very succinct narrative of this whole matter, and I think I can do it probably as well as any gentleman connected with it.

In 1856 the Government of the United States granted to the State of Iowa four land-grants for four trunk-roads across the State.

They were six section grants, what were called small grants. One of these grants so made the State of Iowa turned over to a railroad corporation called the Dubuque and Sioux City Railroad Company, to enable it to build a road between the points named in the charter, Dubuque and Sioux City.

This company commenced to build the road, and proceeded, I think, about 100 miles, when they seemed rather to fall into distress. They were unable to finish the road, and the grant lapsed, I think, in 1866, as Mr. Stevenson has stated.

Subsequently the State of Iowa, through its legislature, petitioned very earnestly for a renewal of the grant, to enable them to go on and finish the road. The work, as I have said, had progressed about 100 miles.

The settlements had extended a considerable distance beyond the then terminus. The grant having lapsed, pre-emptors entered upon the lands which had been embraced within the grant, as they had the right to do.

Upon this memorial of the State of Iowa the Government of the United States, in 1868, renewed the grant, as they did, probably, for all of the States that applied. There was a very considerable renewal of grants to several of the States during that Congress. The committee will remember that this grant was given to the State of Iowa, not to the Dubuque and Sioux City Railroad Company, and when the State of Iowa got possession of this grant again they did not give it to the Dubuque and Sioux City Railroad Company, but resumed their own right in and control over it. They thought the former company could not go on and finish the road as rapidly as they wished. The passage of the act renewing this land-grant made scarce an impression upon my mind. I knew scarcely anything of what had been done under the former grant.

In the course of the next fall or winter a company was organized under the general laws of the State, called the "Iowa Falls and Sioux City Construction Company," for the purpose of completing the construction of that road.

The company had for its president a very eminent railroad man, John I. Blair, of New Jersey. He came on here and interested many persons of capital in the enterprise, and, I think, through Senator Grimes, asked me to take an interest in it. He said the grant was entirely within the control of the State of Iowa, and that the State would give it to this company. I said to Senator Grimes I had no money, but that I had some friends in Maine, and I mentioned a particular friend, Mr. A. P. Coburn, of Skowhegan, Maine, a very wealthy man, whom I had known to make investments in such enterprises before, and who would, perhaps, take some of the stock on my advice.

This Iowa Falls and Sioux City Company was organized with a capital of $6,750,000, if I remember right. Of this stock the Coburns took $200,000. The company was organized with the understanding that the stockholders should answer all assessments upon them for building the road, and that the assessment should be paid in cash. It began by assessments of five or ten per cent. and so on until the aggregate of assessments had reached in the neighborhood of 60 per cent., and the Coburns had paid on their subscriptions somewhere near $120,000 in money, and within eighteen months the road was built and completed the entire 180 miles in length, between the spring of 1869 and the autumn of 1870. It was built absolutely for cash. They did not issue a share of stock, or any bonds or anything of the sort until the last rail was laid and the last spike driven. When they got through the company then issued at the rate of $15,000 to the mile of bonds, and $25,000 of stock, if I remember correctly. These bonds brought in the market about 80; the stock was worth about 60. That would be in cash value $12,000 and $15,000, altogether, $27,000 a mile; and they had paid in cash about $23,000 a mile to build the road; so that the profits, if ever realized, are to be mainly in the appreciation of the bonds and stock, a profit not yet realized.

Last January, a year ago, having large business connections with the Messrs. Coburn in various matters, I had a general settlement with them, and in that settlement I took a portion of this stock at about 60 cents on the dollar, which I paid in cash. That was the beginning of my ownership in the Iowa Falls and Sioux City Railroad. I hold that stock to-day, and it is in my name on the books of the company.

I want to ask Mr. Stevenson what there is in the law of morals or ethics by which a member of the House, or the Speaker of the House, should not hold that stock. That is the whole story. The road, as I have said, was built on an extremely economic basis; cash was paid for

everything; no credit was asked. It was built by capitalists; by men of responsibility, able to answer at any moment to an assessment of ten, twenty, or thirty thousand dollars.

By the CHAIRMAN:

Q. If I understand you, this company was not organized until the next winter after the land-grant in question was extended by Congress?—A. No, sir; not until the next autumn. I think the company was not in existence at all when this act of March 2, 1868, renewing the grant, was passed; and as far as I know, the gentlemen who engaged in the enterprise did not then dream of it; I know that Mr. Coburn did not, and so far as I am concerned, I never had a dollar's interest in it until January, 1872, and what I hold now of the stock I paid for in money or its equivalent.

Q. When the act was before Congress you had no contingent interest of any sort in it?—A. No, sir; and besides that it was a subject that by no possibility could ever come before Congress in any shape or manner.

Q. It is a State affair?—A. It is a State road. The grant was given to the State, and the General Government can never become interested, directly or indirectly, in any shape or manner. If a member of Congress can be permitted to hold any property under any circumstances, I think he might hold it in such an organization as this; and while I am, as you say, perfectly frank in stating everything I know on the subject, I must say that the House of Representatives can, with as much propriety, investigate the weekly expenses of my household as my ownership of stock in this railroad; and if they desire to go into my personal expenses, I have no objection; they may call my steward and ascertain all about it.

Q. What do you know of any other member of Congress having anything to do with this company?—A. I do not know of any other except my former colleague, Frederick A. Pike, who at one time had $20,000 interest in the road, and Mr. Ames, and the one or two others whose names have been mentioned here.

Q. Mr. Pike went into the company in its organization?—A. Yes, sir; as an honorable business man; just as the others did. He took it through Senator Grimes, with whom he was very intimate.

Q. He had no connection with the matter when the land-grant was extended?—A. No; Mr. Pike voted against it. I think I was not in the city at the time when the vote was taken; if I was, I was not in the House.

Q. After hearing the history of the matter which you have given the committee, then, perhaps, the only point which can be legitimately before us is, whether any member of Congress had any interest in the matter when this land-grant was extended?—A. They could not have had, because the thing did not exist. I ought to have stated, in justice to the company, that, in consequence of the reduction by pre-emption of the amount of lands originally granted, there was but a small quantity remaining, I think about 3,000 acres to the mile, in gross; I see that it was estimated in the debate in the House on the subject as 500,000 acres altogether. Mr. Washburne asserted it would reach 600,000 acres. That would be at the rate of about 3,500 acres to the mile.

By Mr. MCCRARY:

Q. Did this road have any connection with the Union Pacific?—A. Not the remotest in the world; any more than the Baltimore and Ohio or the New York Central; no connection in any way, shape, or manner,

although Mr. Stevenson in his resolution says it was built by the same men who were in the Credit Mobilier. I do not see the effect of that point. Mr. Ames was in the Credit Mobilier, and was a stockholder in this company. He is also in Congress, and thereby, by the same reasoning, Congress is connected with the Credit Mobilier.

By Mr. STEVENSON:

Q. You say this renewal in 1868 had no reference to this company?—A. It had no reference to any company.

Q. You do not mean that the act of 1868 did not grant any lands?—A. I said it did not grant them to this company. It granted them to the State of Iowa; it simply renewed to the State of Iowa the grant made in 1856. The State of Iowa did not assign the grant to the same company which had it under the law of 1856, but to a company which did not exist when the renewal took place. Congress, in 1856, granted lands for the construction of railroads in the State of Iowa; the State of Iowa designated certain corporations who were to take these lands, and, for this line, the Dubuque and Sioux City Railroad Company.

Q. That company having failed to build the road within the specified time under the act of Congress, were not these lands forfeited to the United States?—A. There is no doubt of that.

Q. Then, was it not the purpose and effect of this House bill 208, extending the time for the completion of the Dubuque and Sioux City Railroad—was not the effect of that legislation to renew the grant of land to that company?—A. No, sir; and that company never got the grant. The grant was renewed to the State, and when the State of Iowa got it, they gave the lands to a new company to build the unfinished portion of the line. So far from the effect of the legislation being to renew the grant to the Dubuque and Sioux City Railroad Company, as I have said, the grant was directly to the State, not for the benefit of the company, and the State did not turn it over to the company, but took a new company which had more vigor and more capital to work with.

Q. The point of my inquiry was not as to that company, but whether the effect of the act of Congress was not to renew the grant.

WITNESS. Renew it to whom?

Mr. STEVENSON. For the benefit of the road?

WITNESS. What road?

Mr. STEVENSON. Whatever the road was to be built.—A. The Government of the United States renewed the grant to the State of Iowa. The State of Iowa had the right to do whatever it pleased with the land, and it chose to give the land to an organization the head of which was John I. Blair, of New Jersey; because that organization had the means of pushing ahead the work with vigor.

Q. Do you know how much land that company got under that grant?—A. I think they got a little over six hundred thousand acres. The estimate given in the debate in the House, as I have said, on the bill extending the grant, was from five hundred thousand to six hundred thousand acres.

Q. What is the amount of your interest?—A. My interest is five hundred and seventy-six shares, worth about 60, which came into my possession the 3d January, 1872. The certificate was made out for five hundred and seventy-six shares to James G. Blaine, who has since that time been waiting for the reception of dividends on the stock, but who up to this time has not received any.

Q. What proportion of the entire stock do you hold?—A. I could not answer you without going into some figures.

Q. Do you not know what the entire stock is?—A. Yes, sir. The road is 180 miles long; $25,000 to the mile would be something over $4,000,000 of stock.

Q. When did the Messrs. Coburn take their stock in it?—A. Some time in the autumn or winter of 1868.

Q. Do you, or not, have a general interest with them in speculations?—A. In railroads or other things?

Q. In various transactions.—A. Yes; in a great many other things besides railroads. They are generally understood to be worth about $3,000,000, and very comfortable friends to have.

Q. From what time did your interest begin with them?—A. Twenty years ago, perhaps.

Q. And it has extended continuously down to this time?—A. Down to this time. I hope it will extend many years more.

Q. Does it refer to railroads generally?—A. I am not very generally in that business; I would like to be more than I am.

Q. Do you know how much interest they had in this road?—A. I told you they took $200,000 of stock. If you want to go into an investigation of all their transactions, you had better send for them. I can say that, generally, their investments have been very large.

Q. What was the nature of your arrangements with them in regard to these general investments?—A. Timber, coal-lands, and many other things.

The chairman suggested that this was somewhat amplifying the sphere of investigation of this committee.

Mr. BLAINE. I have had relations of this sort with other gentlemen besides the Coburns, that you can go into also, if you desire.

Mr. STEVENSON. Profitable, I hope?—A. Not very profitable. Some of them I have lost by. If you would like to invest I can give you some shares of stock that I would like to get rid of.

Mr. STEVENSON. I thank you; I would rather wait until I am out of Congress.

WITNESS. That will occur the 4th of March, and I will agree to take it off your hands when you are re-elected.

Mr. STEVENSON. I have no particular ambition to return to this body.

Re-examination of OAKES AMES.

By Mr. STEVENSON:

Q. What is the value of the land belonging to this company?—A. I do not know.

Q. Do you not know what the lands are being sold for?—A. I think they are averaging about $6 per acre. I have seen the reports of the sales every month. One month, if I remember aright, the average was a little over $7 per acre. It depends on the value of the lands and their proximity to the railroad.

Q. Have you sold to Mr. Blaine any of the bonds of this company?—A. I think I sold him $5,000 of the bonds of this company.

Q. Did you not sell him ten or twenty thousand?—A. I think not.

Q. When did you sell him the $5,000?—A. I cannot remember.

Re-examination of Mr. BLAINE:

Mr. BLAINE. Let me answer that; I can give Mr. Stevenson all the information he wants on that subject. I bought 6,000 of these bonds of Mr. Ames at 80 cents on the dollar, and accrued interest made the amounts I paid just about $5,000 in money. I bought in Boston at another time, I think, $15,000, for which I paid 80 cents on the dollar.

Mr. STEVENSON. When was this purchase?—A. This purchase was in the fall of 1870 or beginning of 1871. I cannot give you the exact date.

Q. Were these bonds turned over by you to the Coburns?—A. A part of them were turned over to the Coburns, and they took them at so much cash at a certain valuation. Mr. Ames thinks I ought not to have sold them so low; they were 7 per cent. bonds and good to hold; if I had had the money I should not have turned them in. I bought the first lot of $6,000 of Mr. Ames, and the other $15,000 of J. M. S. Williams, of Boston, who was a general medium for the exchange of that sort of securities. Persons who wanted to buy or wanted to sell went to Mr. Williams.

By Mr. MERRICK:

Q. When you say you bought $6,000 of bonds you mean $6,000 par value?—A. Yes, sir; I meant six separate bonds of the $1,000 each; 80 was the price they were being secured for; I think they have been advancing some little since. I will say to Mr. Stevenson that I hold $10,000 of them still. That is a question he has not brought out yet, but I am willing to make that statement, and I am only sorry it is not ten times as much.

By the CHAIRMAN:

Q. Mr. Stevenson has said in his statement that you purchased these bonds at one price and turned them into the Messrs. Coburn at another. —A. I do not think that is important, if the committee think it is I am willing to state what the transaction was. I sold some of them to the Messrs. Coburn as high as 90 and some for 85. My business with these gentlemen has been very large, the transactions have extended over a long period, and it would take the committee longer than they would desire to devote to this subject to go into all the details, involving the details of many business transactions purely personal in their relations. I have no concealment about it at all, if the committee desire to investigate all my transactions.

The CHAIRMAN. That does not seem to be germane to what we are now inquiring about.

WITNESS. I think it is; I think it is quite as much so as the matters about which I have been interrogated.

The CHAIRMAN. The road may look as if it would go to a certain place and not go there.

Re-examination by Mr. AMES:

By Mr. STEVENSON:

Q. Who is interested with you in this company?—A. A good many people hold stock in it.

Q. Is Mr. Alley with you?—A. Yes, sir.

Q. Mr. Alley is also interested in the Credit Mobilier, is he not?—A. He used to be. I do not know whether he is now or not.

Q. He was originally?—A. Yes, sir.

Q. Mr. Allison is interested with you in the Iowa Falls and Sioux City Railroad?—A. He was a subscriber to that stock. At least that is my impression.

Q. Are you interested in the Sioux City and Pacific Railroad?—A. Yes, sir.

Q. Is Mr. Alley?—A. I think he is. I am not sure.

Q. That's a branch of the Union Pacific Railroad?—A. That is one of the branches.

Q. Is the Iowa and Sioux City Railroad a connection of that one?—A. This road commences at Sioux City and terminates at Dubuque; that commences at Sioux City and goes to Fremont.

Q. Are not you and Mr. Alley and several other gentlemen interested in these three roads?—A. Yes, sir.

Q. Have you any other railroads in Iowa that you have never been over?—A. I do not think I have that I have never been over.

Q. What other railroads are you interested in there?—A. I do not know that that has anything to do with this question; I have no objection, however, to answer; I am interested in the Chicago and Nebraska, in the Cedar Rapids and Missouri River, in the Iowa Falls and Sioux City, in the Sioux City and Pacific, and in what is called Lion's Plug Road; is there anything else you want to know about Iowa?

Q. I have no personal desire in the matter. The committee invited me here to ask you some questions.—A. I do not believe the committee invited you here to go outside of this resolution. I did not know it was a crime to build a railroad until this investigation commenced, and I am not fully satisfied of it yet.

Q. Did you know at the time the Iowa Falls and Sioux City Railroad Company was formed that the Coburns, of Maine, were interested in it?—I cannot say that I did or did not. I guess the company was formed before any body took an interest in it. The company was formed, and then looked out for subscriptions.

Q. You knew it as soon as they made their subscription?—A. I do not know; I did not see the books very often.

Q. When did it come to your knowledge that they were interested in it?—A. I cannot tell you; probably soon after they became interested in it.

Q. Did you, at that time, know that the Coburns and Mr. Blaine were interested in such operations?—A. I suppose so. I supposed the Coburns, of Maine, and Mr. Blaine, were interested in a great many other things.

Mr. BLAINE. It is perfectly well known in Maine, and in New England generally, that such has been the fact.

By Mr. STEVENSON:

Q. You testified the other day you did not know there had been any act of Congress in which this road was interested since the original act of 1856?—A. I did not know there had been.

Q. Do you not remember being in Congress when the act of 1868 was passed renewing the grant?—A. No, sir; I do not remember anything about it. I should have voted for it. I believe that all these land-grants of Congress for the purpose of building roads should be continued. I voted for that in every other case, and I have no doubt I did in this, if I was in Congress.

By the CHAIRMAN:

Q. At the time this land-grant was extended to the State of Iowa were you in any manner interested in that extension?—A. No, sir; not to my knowledge.

WASHINGTON, *January* 30, 1873.

JOHN BEATTY, a member of the House of Representatives from the State of Ohio, sworn and examined.

By Mr. STEVENSON:

Q. Will you state to the committee your recollection as to whether you and I had a conversation on the day when I introduced the original resolution in relation to the Dubuque and Sioux City road, in regard to the information upon which that resolution was based, and whether I stated the source whence that information was derived?—A. You told me the day before the resolution was offered that you had received certain information from Mr. Ames. When the resolution was read I was not in the House; I came in immediately after and was told what the resolution was. I supposed I knew then what information your resolution was based on, and where you had obtained that information. Our conversation in relation to the matter was the day before that; you told me then, as I have stated, that Mr. Ames had made certain statements to you—that you had obtained from him information in reference to Mr. Blaine's connection with certain roads in Iowa.

Q. Do you remember the substance of what I stated as my information?—A. I recollect you told me that Mr. Ames said the Speaker was interested in the Dubuque, and, I think, Sioux City Railroad; that he was connected in the matter with the Coburns, of Maine.

Q. This was the day before I introduced the resolution?—A. It was the day before your first resolution.

Q. You remember I introduced afterwards a corrected resolution.—A. I remember that this was the day before the first resolution; I have no doubt about that.

Q. Had you any conversation with Mr. Ames on the day the first resolution was introduced?—A. After the first resolution was passed, I think immediately afterward, Mr. Ames came to my desk and asked who put Stevenson up to offering this resolution. My impression was then that if anybody had done it, it was Mr. Ames, although I did not say so.

Q. What else did he say about it?—A. Afterward I was passing his desk; he spoke to me and asked the same question again, and then he said you were on the wrong track—that your resolution should have embraced another road. I was anxious that you should get on the right track, and I went to you and told you what Mr. Ames had said, that your resolution should have embraced another road.

Q. Do you remember what I said about your statement, that I was on the wrong track?—A. No; I think you thought, notwithstanding my statement, that you were on the right track from Mr. Ames's statement to you.

By the CHAIRMAN:

Q. Did you hear any conversation between Mr. Ames and Mr. Stevenson?—A. I did not.

By Mr. MERRICK:

Q. Did Mr. Ames state to you at all whether he had had any previous conversation with Mr. Stevenson?—A. He did not; he did not make any allusion to it.

Further testimony of Mr. STEVENSON.

Mr. STEVENSON. Upon this point I want to say that after consideration I remember that on the same day after my first resolution was in-

troduced, Mr. Ames did talk to me more at length and more particularly about this matter than he had ever done before. Before that, I had had frequent conversations with him. He happened to sit at the same table with me at the Arlington. He was there last session, and we had formed a pleasant acquaintance. When this investigation began, he suggested in a humorous way, one day, that perhaps he had better leave. We told him—Mr. Smith, of Ohio, and myself—that he was not yet found guilty of anything, and that we were not disposed to prejudge him. He has remained at the same table, except when he had friends dining with him, and they had a separate table. He has been garrulous with me, talking in all parts of the house, on the way to the House of Representatives, on the way back, and everywhere, and in the course of these conversations I gathered this information. I have no doubt Mr. Ames really thought I had mistaken the road, because he had told me something about the Sioux City and Pacific Railroad, which has been the subject of a suit in New York. He told me last summer something about a suit of that kind. There seems to have been an attack expected on that road, the Sioux City branch of the Union Pacific. There seems to have been a general apprehension that I should introduce a resolution in regard to that, and I should have done so, but I was informed that Judge Wilson's committee would take cognizance of that road as a branch of the Union Pacific. Whether they will do so or not I do not know. Judge Wilson has the impression that, as that is a branch of the Union Pacific, it would be within the jurisdiction of that committee. That accounts for my not covering that road with my resolution. Of course I had the right to leave it out, but I choose to state that this was my motive for leaving it out. In the course of a conversation with Mr. Ames one day he told me he would give me a book showing the transactions of that road, containing the report of a case which was tried in New York. I told him I would be glad to have it. He said he could not give it to me unless I would promise not to use it against his friends. I asked him who they were. He said Mr. Allison and Mr. Wilson. I told him I could not take it on that condition. Afterward I obtained a copy of that book from Judge Wilson, and when I stated to Mr. Ames that I had it he then gave me the copy he had first offered. I don't suppose that is material to this investigation, but I state it in connection with my motive in the introduction of the resolution.

By Mr. MERRICK:

Q. Did he tell you about that book before the introduction of that resolution?—A. No, I think not; but he had mentioned the subject, and it was a constant topic of conversation between us. He was garrulous, and we generally had at breakfast what he was going to give to the committee that day, and at dinner what he had given to the committee.

JOHN B. ALLEY recalled and examined.

By Mr. STEVENSON:

Q. In your testimony given before the committee January 25, 1873, you stated when this Iowa Falls and Sioux City Company was organized; will you state more distinctly when it was organized?

WITNESS. Do you mean the railroad company, or the construction company?

Mr. STEVENSON. Whichever was organized first, the railroad company or the construction company.—A. I suppose the construction com-

pany must have followed the organization of the railroad company, as a matter of course.

Q. Do you know when the railroad company was organized?—A. I do not; I presume, however, about the same time as the construction company; I think I said it was organized in 1867; that is my impression; I may be mistaken.

Q. That is what you stated; but in another part of your testimony you stated that it was organized about four years ago—that would be in 1868.—A. If I stated four years ago, it was an error of calculation; I meant to say 1867.

Q. Was it the Iowa Construction Company that built this road or was it the Iowa Falls and Sioux City Construction Company?—A. I had the impression that it was a special company to build this road; I may be mistaken. I was at that time merely a stockholder and had very little to do about it.

Q. How much stock had you in it?—A. I subscribed for $200,000 of the stock. As I said the other day, we subscribed for $7,000,000; the road cost about $4,000,000; we all paid in our money; my part of the subscription to the $7,000,000 I believe was $200,000; that is my recollection; I may be mistaken as to the exact amount.

Q. When did you pay your first installment?—A. That I could not say without referring to the record.

Q. How soon after you made your subscription was it?—A. I should say some months afterward—not many months.

Q. It was not, of course, before the act of Congress of March, 1868?—A. I should think it was, still I cannot say certainly about that.

Q. Then it was in advance or in anticipation of the action of Congress?—A. O, no; I never knew anything about any action of Congress, and I do not understand now that Congress had anything to do with it.

Q. You are not aware that Congress extended the time for building the road along this line from Dubuque to Sioux City?—A. No; I was not aware of that; I had not anything to do with it; I was under the impression that Congress had nothing to do with it; I had an understanding that these lands were the property of the State of Iowa many years before, and that the State of Iowa had full jurisdiction over them.

Q. You do not know, then, that the grant had expired in 1866?—A. No, sir; if I knew it at the time I had forgotten about it.

Q. Did you know of the act of the legislature of Iowa of April 7, 1868?—A. I have no recollection about it; if I did know it, I had forgotten it; I remember looking into it at the time and of being satisfied that it was all right, still I had no particular knowledge about it.

Mr. STEVENSON: I now submit to the committee the act of the legislature of the State of Iowa of April 7, 1868, and ask to have it incorporated into the evidence. The committee will see from the title of this act that the Iowa Falls and Sioux City Railroad Company was, on the 7th of April, 1868, when this bill became a law, a company in existence, and that it had, prior to that date, made a contract with the Dubuque and Sioux City Railroad Company for the benefit of their land-grant. It appears, also, that it had made a contract with the Illinois Central Railroad to get the benefit of a lease which existed between the Illinois Central and the Dubuque and Sioux City Railroads. I also submit, and ask to have incorporated in the testimony, an act of the legislature of Iowa, which will be found in the same volume, assuming control of the land-grant given to the Dubuque and Sioux City Railroad. This was passed March 10, 1868. The State had applied the lands to this particu-

lar company to build the road upon a line which Congress had designated, and I understand the effect of this act to be that the State resumed control of these lands, which they afterward assigned to the new company, in pursuance of the contract that company had made with the Dubuque and Sioux City Railroad. I have been unable to find the journals of the two houses of the legislature of Iowa for that session; they are not in the Congressional Library. Mr. McCrary has sent to Iowa for them, and when they arrive I expect to show by these journals that this legislation of the State of Iowa was concurrent with that of Congress; at any rate, the dates of the passage of these acts are such as to justify a person of ordinary legislative experience in drawing the inference that the acts of the legislature of Iowa and the act of Congress were passed in view of each other.

The following are the statutes placed in evidence in the above testimony:

The Dubuque and Sioux City land-grant.

AN ACT to legalize, confirm, and carry out a contract between the Dubuque and Sioux City Railroad Company, and to extend the time for completing said railroad from Dubuque to Sioux City, to grant certain lands to the Dubuque, Bell(e)vue and Sabula Railroad Company for the building of the Têtes des Morts branch, and for other purposes.

SECTION 1. *Be it enacted by the general assembly of the State of Iowa*, That a contract entered into between the Dubuque and Sioux City Railroad Company of the first part, and the Iowa Falls and the Sioux City Railroad Company of the second part, transferring so much of the Dubuque and Sioux City Railroad as remains to be constructed, together with the franchises, right of way, depot-ground, and other appurtenances of said road to be completed; also, transferring all right and title of the said Dubuque and Sioux City Railroad Company to so much of the lands granted by Congress to aid in the construction of said road as shall appertain to or be legally applicable to the construction of the uncompleted part of the Dubuque and Sioux City Railroad as aforesaid, except as the lands hereinafter granted to the Dubuque, Bellevue, and Sabula Railroad Company, be, and is hereby, legalized and confirmed.

SEC. 2. That the *pro rata* of six sections of land per mile, reserved by said contract to the Dubuque and Sioux City Railroad Company, and the *pro rata* of six sections per mile conveyed by said contract to said Iowa Falls and Sioux City Railroad Company shall be adjusted between said companies as follows, to wit: The land actually conveyed to third parties shall be set apart to said Dubuque and Sioux City Company, not exceeding six sections per mile for the road now built, and if over that number of acres of land have been conveyed, the excess over that amount shall be taken off of the west end of the last installment of the lands so conveyed; and in case less than that amount of lands have been conveyed as aforesaid, then a sufficient amount shall be taken to make up such *pro rata* from that portion of the land-grant next adjoining, and immediately west, as near as practicable, to the lands last conveyed by said Dubuque and Sioux City Railroad Company.

SEC. 3. That a *pro rata* of six sections per mile of said land-grant be, and the same is hereby, granted to and conferred upon the Dubuque, Bellevue and Sabula Railroad Company to aid in the construction of said road, known as the Têtes des Morts branch, required to be built by act of Congress granting said lands to the State of Iowa: *Provided*, That said company shall not incumber or dispose of said lands until the said branch road shall be completed and open for business, and that

said branch shall be completed within two years from the first day of January next. Said lands shall be of an average quality and value of so much of said lands granted by the United States as now remain undisposed of; and the governor of Iowa shall select, or cause to be selected, the land hereby granted to said Dubuque, Bellevue and Sabula Railroad Company, or cause the same to be reserved from lands outside of the six-mile limits of said grant, and upon completion of said branch, as above provided, he shall execute a patent for said lands to said company.

SEC. 4. That so much of said land-grant as is applicable to the uncompleted portion of the road as aforesaid, west of Iowa Falls, excepting the lands hereby granted to said Dubuque, Bellevue and Sabula Railroad Company, is hereby granted to and conferred upon the said Iowa Falls and Sioux City Railroad Company, subject to the terms and conditions of the act of Congress granting the said lands, dated the fifteenth day of May, A. D. 1856, and the act amendatory thereto, and the act of Congress passed the present session; and also subject to the terms and conditions of this act as herein expressed as follows, to wit: The road shall be completed at a first-class road from Iowa Falls on the route now surveyed, located, and partly graded, through Webster City and Fort Dodge; and the depot-buildings shall be erected on the grounds heretofore donated by the people of said towns for that purpose, and shall be completed thence to Sioux City, which route shall be at all points within the limits of the said land-grant. The track of said road shall be laid with a good, substantial rail, weighing not less than fifty-six pounds per lineal yard. The road shall be completed to Fort Dodge by the first of July, 1869, the time now fixed by act of Congress; one-half of the balance within one year from that time, and the remainder before the first of January, A. D. 1872; and said road, when any twenty miles shall be completed, shall be subject to the lease of the Illinois Central Railroad Company, transferred to the Iowa Falls and Sioux City by the Dubuque and Sioux City Railroad Company, and shall be operated as one continuous and unbroken through line from Dubuque to Sioux City.

SEC. 5. Said lands so granted as aforesaid to the Iowa Falls and Sioux City Railroad Company shall be patented by the governor to said company, as the same shall be earned by the building of said road, but no patent shall be issued by him for any portion of said lands until at least seventy-five miles of road shall be completed and "no patent shall be made for any lands more than forty miles in advance of the point to which said road may be constructed from time to time," as provided by said act of Congress. No patents shall be made for any lands located within fifty miles of Sioux City, until said company shall have its entire road completed to Sioux City, except from such road as said company may cause to be built and operated from Sioux City eastward; and when said company shall have forty miles of road built and operated from Sioux City eastward, then this restriction shall cease, and such lands may be patented for any road built by said company; and no patent shall include lands situated in more than one county, and such patent shall be, by said company, recorded in the county where said lands lie, and a certified copy of the record of the same may be used as evidence with the same effect as the original. And in case any of said lands hereby granted are now, and were on the first of January last, occupied by actual settlers residing thereon and improving the same, upon such settler making proof to the satisfaction of the register of the State land-office of such settlement and

improvement, he shall be entitled to purchase not exceeding one quarter-section of land of the State at the rate of $2.50 per acre, and when such land shall have been earned by the extension of said road, upon the payment to the company of the said sum, the governor shall execute a patent to such actual settler for said land.

SEC. 6. The legislature shall have the power to resume the land not earned at the time of such resumption on default of said company to build said road to Fort Dodge by the first day of July, 1869, or any portion of the road within the time limited herein, or in case they shall be satisfied that said company is not pushing forward the work on said road with reasonable diligence, so as to warrant the belief that the whole line will be completed to Sioux City by the first day of January, 1872.

SEC. 7. The said Iowa Falls and Sioux City Railroad Company shall signify their acceptance of the terms and conditions of this act, by a written instrument, signed by the president of said company, to be filed by the governor within thirty days after the passage of this act. The company accepting the provisions of this act shall, at all times, be subject to such rules, regulations, and rates of tariff for the transportation of freight and passengers as may, from time to time, be enacted by the general assembly of the State of Iowa. If the said Iowa Falls and Sioux City Railroad Company shall fail or refuse to accept of this grant upon the conditions hereby imposed, and in the time and manner as herein required, the census board of this State is hereby authorized, by proper writing, with the seal of the State affixed thereto, to confer the same upon such party or company as shall, in their judgment, be competent to carry the enterprise hereinbefore provided for in good faith, and which shall accept the grant by a proper written instrument, duly executed and attested, and shall file the same in the office of the secretary of this State subject to all the sections of this act; and the same shall be applicable to such guarantee, subject to all the terms and conditions of this act as fully as if named originally herein.

SEC. 8. Nothing in this act contained shall be construed in any way to affect the titles, rights, or interests of persons or corporations not expressly named in this act.

SEC. 9. This act, being deemed of immediate importance, shall take effect and be in force from and after its publication in the Daily Iowa State Register and Daily Evening Statesman, newspapers published in Des Moines, Iowa.

Approved April 7, 1868.

An act resuming certain rights conferred upon the Dubuque and Pacific (now Dubuque and Sioux City) Railroad Company, by an act approved July 14, 1856, and acts amendatory thereof, and to repeal certain laws in relation thereto.

Whereas by an act of Congress approved May 15, 1856, there was granted to the State of Iowa certain land to aid in the construction of certain railroads in said State, upon certain terms, conditions, and restrictions under which said lands might be disposed of; and

Whereas the general assembly of the State of Iowa, by an act approved July 14, 1856, accepted said grant of lands upon the terms, conditions, and restrictions contained in said act of Congress, and transferred and granted to the Dubuque and Pacific (now Dubuque and Sioux City) Railroad Company that portion of said lands granted by said act of Congress to aid in the construction of a railroad from the city of Dubuque to a point on the Missouri River at or near Sioux City, with a branch from the mouth of the Tete des Morts to the nearest

point on said road, in consideration on the part of company that it would complete and equip within the time therein specified; and

Whereas said company having failed to complete and equip said road as required in said act obtained by an act of the general assembly of Iowa, approved April 7, 1862, and extension of time for the completion of said road in further consideration of the release of certain lands in said last mentioned act described; and

Whereas the said Dubuque and Pacific (now Dubuque and Sioux City) Railroad Company has failed and refused to execute the said releases, and has failed to complete and equip the number of miles of their said road as by said acts of transfer and extension they were required to have completed and equipped at this time, thereby, at the option of the State, annulling all their right and title to the land so transferred to said company by said act of July 14, 1856, excepting only one hundred and twenty sections of said land for each twenty miles of said road now completed and equipped, whereby the State has the right to resume all the right, title, and interest in and to the remainder and residue of the land originally granted to said company; and

Whereas the good faith of the State, in carrying into execution the trust conferred upon her by said act of Congress, requires that the remaining land, and all title to the same, should be resumed, to the end that the road to aid which the same was granted may be speedily completed; now, therefore,

SECTION 1. *Be it enacted by the general assembly of the State of Iowa*, That all the right, title, or interest in and to the land heretofore granted, or intended to be granted, to the Dubuque and Pacific (now Dubuque and Sioux City) Railroad Company, by an act approved July 14, 1856, entitled "An act to accept the grant and carry into execution the trust conferred upon the State of Iowa by an act of Congress entitled 'An act making a grant of land to the State of Iowa, in alternate sections, to aid in the construction of certain railroads in said State, approved May 15, 1856,'" and acts amendatory and supplementive of the same be, and the same are hereby, absolutely and entirely resumed by the State: *Provided, however*, That nothing in this act contained shall be construed to affect, or in any manner impair, the title of said company to the one hundred and twenty sections of said land for each and every twenty miles of their road which is now completed and equipped.

SEC. 2. The fifth section of said act, approved July 14, 1856, and all other acts and parts of acts inconsistent with this act, are hereby repealed.

SEC. 3. This act being deemed of immediate importance shall take effect and be in force from and after its publication in the Iowa State Register, published at Des Moines, and the Iowa North-West, published at Fort Dodge, Iowa.

Approved March 10, 1868.

WASHINGTON, D. C., *January* 30, 1873.

JOHN B. ALLEY recalled and examined by Mr. Stevenson:

Question. Were you and Mr. Ames interested in either of the Iowa railroads?—Answer. Yes; quite a number of them.

Q. In all four of the original land-grant railroads?—A. No, sir. I am interested in the Chicago, Iowa and Nebraska, a stockholder and director, I think. I came into that by the purchase of stock years after it was built and had nothing to do with any land-grant.

Q. Are you interested in the Cedar Rapids Road?—A. Yes, sir; a little.

Q. Are you in the Sioux City and Pacific?—A. Yes, sir.

Q. Do you own any interest in any other road there?—A. Yes, sir; in the Iowa Falls and Sioux City, and I believe I have a little interest in what is known as the Lion's Plug Road; I am not certain. Let me say here that I had no interest in any of these roads until after I left Congress.

Q. When did you leave Congress?—A. In the spring of 1867. On reflection, I think I was in the Cedar Rapids road in 1866, but Congress never had anything to do with that road directly or indirectly. It had a land-grant given to it by the State, which land-grant was given to the State of Iowa as long ago as 1856.

WASHINGTON, D. C., *January* 30, 1873.

JAMES F. WILSON sworn and examined by Mr. Stevenson:

Question. Will you state to the committee what knowledge you have as to what members of Congress were ever interested in the road from Dubuque to Sioux City, especially that part of it from Iowa Falls to Sioux City?

WITNESS. Do you mean present members of Congress?

Mr. STEVENSON. Present members or members who at any time have been interested.

Answer. I will state as far as my recollection will bear me out. Mr. Oakes Ames is the only member of the present Congress I now recollect.

Q. Have you any knowledge as to whether Mr. Hooper is interested?—A. I cannot say that I have any knowledge. I have an impression that he is; and if you will suggest any others it may refresh my memory.

Q. I ask you if you have any knowledge that Mr. Blaine is interested?—A. I have no other knowledge than what Mr. Blaine himself testified before the committee.

Q. Now state what ex-members of Congress are interested?—A. I will state in the first place, that I was interested in the Iowa Falls and Sioux City Railroad.

Q. To what extent?—A. I will state the facts and then you will have the whole case before you. After the legislation of the State of Iowa resuming control of the land-grant which had been conferred on the Dubuque and Sioux City Company, a new company was organized, of which John I. Blair was the leading spirit, to construct the road under the legislation of the State from Iowa Falls, where the Dubuque and Sioux City Railroad terminated, to Sioux City. In getting up the organization of that company, and in the subscription to the stock, Mr. Blair asked me if I would like to have some stock in the railroad. I told him I should like to have some stock if I could make arrangements to pay for it; I did not have very much money to invest in railroads. I told him I would inquire of Wm. F. Coolbaugh, of Chicago, who is president of the Union National Bank in that city, and was formerly a resident of Iowa. He told me if I would get the stock he would carry it upon this arrangement; that he would furnish the money as the installments were called in; the bonds and stock issued to go to him; and he would charge me 10 per cent. on one-half the money invested, and when the matter was closed up we would divide the profits after deducting the 10 per cent. interest. If the committee desires to go into matters of this kind, I should prefer

that the other party should relate it rather than myself; but I am content to say that the conversation resulted in a subscription of $50,000 to that stock which Mr. Coolbaugh carried, and paid the installments according to his proposition; about a year ago, I asked him if he would pay me $4,000 for what interest I had, and take the whole of it. He said he could not do that; that my profits footed up at that time would not amount to more than $2,000; so that that is not a very remarkable speculation on the amount of capital invested. The stock has been paid for as regularly as the installments have been called in. He has kept an account, taken the bonds, all of the securities, and that, so far, is the result.

By the CHAIRMAN:

Q. The subscription to the stock was in his name?—A. I think that $20,000 or $30,000 of the stock, I forget which, was in my name, and the balance in his name; at the commencement arrangements were only made for $20,000, but the subscription was afterward increased $30,000 more.

By Mr. STEVENSON:

Q. You still hold that interest?—A. I hold my interest.

Q. I understand the investment was to pay 10 per cent. on one-half of the capital, and you were to have the use of the other half?—A. Yes, sir; it was in the nature of a loan; it was equivalent to his loaning me one-half the money at 10 per cent.

Q. Were you to pay 10 per cent?—A. The fund was to pay 10 per cent; 10 per cent. interest was to be deducted from whatever profits arose out of the speculation.

Q. How, provided it resulted in a loss?—A. I suppose he would have made up the amount against me for my half of the loss.

Q. Was anything said about that?—A. I do not know that there was; under our contract that would undoubtedly have been the result.

Q. Have either the stock or the bonds been sold for your share?—A. I understand not; I will state here that the stock issued to me has been transferred to Mr. Coolbagh; I do not know whether he has sold any; I do not think he has.

Q. Do you know how much he holds?—A. No, sir; I cannot state that. If there is any gentleman here who knows the amount of assessments with the proportion of bonds and stock issued, he can give the figures; I cannot.

Q. Was your subscription of $50,000, or was the amount actually paid in $50,000?—A. I think that was the original subscription. My impression is that the bonds issued have amounted to in the neighborhood of 60 per cent. of the amount of money actually paid in. I had but little to do with the details of the matter, and do not know very much about them.

Q. What was your position in the House of Representatives?—A. At that time I was chairman of the Judiciary Committee, House of Representatives.

Q. Have you any knowledge of any other member of Congress being interested in the road?

Mr. MCCRARY objected to any inquiry in regard to any person not now a member of Congress as not within the scope of the resolution of the House ordering the investigation.

Mr. STEVENSON understood the resolution in its terms to embrace all persons who had been members of Congress. His object in this investigation was not for the purpose of dealing with any member of Congress

present or past, who might have an interest in this road, but for the purpose of considering the general question of the propriety of members of Congress being interested in, or speculating in any stock or matter on which legislation of Congress had occurred while they were in Congress.

After consultation the committee determined to construe the resolution as including members of the present and past Congresses.

WITNESS. I do not recollect any others now except Mr. Alley and perhaps Mr. Allison. If I had the stock-list before me, or anything to refresh my memory, I might, perhaps recall others. I want to say one thing here, since Mr. Stevenson has made the remark that he proposed to raise a question of public policy on this investigation, that this land-grant was made to the State of Iowa years before I entered Congress; and further, that a man could not have been elected in Iowa to Congress who was not in favor of this system of internal improvements. So that, if the question of public policy is to be raised, he had better fall back upon the people and not upon those who carried out their wishes in regard thereto.

By the CHAIRMAN:

Q. The people of Iowa were desirous of having some public men in favor of building railroads?—A. Undoubtedly they were, and I wish to say here in regard to that policy that, in my judgment, the State of Iowa, instead of numbering nearly a million and a half of people as she does, probably without these improvements would not have had half that number to-day. By this system of public improvements we have built up a magnificent State, which could not have been created without it. Our people were then anxious to get such men as John I. Blair, Oakes Ames, and other men of capital in the East, to take hold of these improvements and aid us in their construction. I will say that neither in this case nor in any other was there an understanding, direct or indirect, that I should have any interest in these companies. I acted upon what I believed to be the true public policy at the time, carrying out the unanimous wish of the people of the State which I in part represented. And if I were to be in Congress again, under like circumstances, I should do over again precisely what I did then.

By Mr. STEVENSON:

Q. Can you state what Mr. Allison's interest was in that company?—A. That I do not know.

Q. Do you know when he invested?—A. My impression is about the same time I did; it must have been in 1868. I only arrive at that belief from this fact; my recollection is that the State legislation occurred in 1868, and I suppose that this company was not organized until after that time.

Q. Did you not state that the construction company was organized after the act was passed declaring that the land reverted to the State of Iowa?—A. That is my recollection.

Q. That act was passed March 10, 1868?—A. I do not state that positively; I had nothing to do with the organization of the construction company.

Q. Do you remember the passage of the act of April 7, 1868, by the Iowa legislature, transferring these lands to a new company—the Iowa Falls and Sioux City Railroad Company?—A. I had forgotten about there being two acts. The first act I should say was the one immediately under which this company was probably organized; but I have

no recollection about that. It seems to me that would be the natural course.

Q. Did you go into the railroad company or into the construction company?—A. My recollection is that it was the railroad company.

Q. Was not this the fact, that after the railroad company was organized the construction company was constituted of the same members? Was not the railroad built really by the owners of the stock of the railroad company?—A. That may have been the case.

Q. Did they not proceed to build the road as a construction company?—A. If they proceeded to build it as the stockholders of the Iowa Falls and Sioux City Railroad Company, then it was not the construction company that built the road. It was simply the railroad company itself that built it.

Q. Were they not the same men acting under a different corporation?—A. I am not prepared to say in regard to that.

Q. Do you know the country through which this road runs?—A. I have not been over the entire line; I have been over a portion of it.

Q. What is the general character of that country?—A. It is a prairie country.

Q. What is the quality of the land?—A. The land is good, but it is prairie land, which, without railway facilities, would have been of but little value. The lands would have probably remained unoccupied for a great number of years. It is the construction of railroads that has enabled us to settle up that portion of the State. I think the State of Iowa has fewer acres of waste land than any other State in the Union. What she needed was railroads.

Q. Do you remember when the act of Congress extending the time for the completion of the Dubuque and Sioux City Railway was passed?—A. I do not remember the time.

Q. It was March 2, 1863; were you cognizant of that legislation at that time?—A. Most likely I was, though I do not remember it now. It was not usual for any measure of that kind affecting Iowa interests to pass without my having some knowledge of it.

Q. Do you know whether either of the Iowa laws of March 10 or April 7, 1868, was pending in the Iowa legislature while this bill extending the grant was pending in Congress?—A. I have no recollection about the dates of these acts. The acts themselves will show. I have not thought of the subject nor looked at the acts lately. If you mean to convey the impression that there was an arrangement with members of Congress and this company that this system of legislation should be put through for their benefit, I deny it, so far as I am concerned.

Q. I do not mean to say that; I am merely inquiring as to the fact.

The WITNESS. Then put your questions so that I can answer them intelligibly.

Q. The reason I ask you is, that the journals of the house and senate of the State of Iowa are not here, and I thought you might have a knowledge of their legislation?—A. I was attending to my duties here in Congress, and the members of the legislature were attending to theirs.

Q. Do you know whether the State of Iowa petitioned to Congress for the renewal of that grant?—A. I do not remember. I think you will find, in reading this act of the Iowa legislature, that it is a very different one from either of the acts passed prior to that time conferring grants of land; that there were more limitations in it, and more legislative restrictions than can be found in any other act passed by the legislature of the State of Iowa.

Q. Do you know when this contract, alluded to in this act of April 7, 1868—the contract between the Dubuque and Sioux City Railroad Company and the Iowa Falls and Sioux City Railroad Company—was entered into?—A. No, sir; I cannot state.

Q. Do you know upon what terms the road is leased to the Illinois Central Railroad Company?—A. No, sir; I only know this, that the business of the road under the lease has never yet been able to make such returns as to pay anything upon the stock.

Q. Does the stock carry the lands with it?—A. I suppose whatever property belongs to the company belongs to the holders of the stock.

Q. Is the grant of land included in the mortgage which I suppose was given as security for the bonds?—A. I am not prepared to say.

By Mr. McCRARY:

Q. You became a stockholder in the fall of 1868?—A. Some time in 1868; I do not remember the date.

Q. How long after the renewal of the grant, which seems to have been in March, 1868?—A. It was in the summer or fall.

Q. Had you any arrangement or contract by which you were to obtain an interest in that stock at any time prior to the renewal of the grant by Congress?—A. None whatever.

Q. Had you any expectation at that time of becoming interested?—A. I had not.

Q. The original grant was made to the State?—A. Yes, sir.

Q. And entirely under the control of the State legislature?—A. Yes, sir.

Q. The renewal made to the State was upon the same terms as the original grant?—A. I do not remember the terms; I do not think it was renewed to the State; I think it was an act extending the time for the completion of that road, which consequently left the lands under the control of the State, upon the exact terms of the act of 1856, except as to time. If I had the dates of the organizations of these companies, and of the contracts, I could fix, as I cannot now, definitely, the time I obtained that stock.

WASHINGTON, D. C., *February* 1, 1873.

WILLIAM B. ALLISON, United States Senator-elect, from the State of Iowa, sworn and examined.

By Mr. STEVENSON:

Question. Will you state to the committee what you know about the formation of the Iowa Falls and Sioux City Railroad Company and what members of Congress were interested in it?—Answer. I know there was such a company formed, and that there were members of Congress interested in it at one period or another. I do not know the date of its formation, nor do I know at what time these members became interested, except as to myself. I know when I became interested or about the time.

Q. When was that?—A. I think it was in April or May, 1868—that is my impression—it was in the spring or summer of 1868.

Q. Do you know when the company was formed, relatively—whether it was formed before or after the act of Congress extending the time for the completion of the Dubuque and Sioux City Railroad in March, 1868?—A. I do not know when the company was actually formed. The records of the secretary of state of Iowa will show. By our laws

articles of incorporation were required to be filed with the secretary of state. John I. Blair, of New Jersey, was the man who had chief charge of the matter, and he had in contemplation the formation of such company, I think, for some time before its actual formation.

Q. How long before?—A. I would not undertake to say.

Q. Was it as early as the winter of 1867-'68?—A. I should say earlier than that.

Q. Had you been consulted about it by him?—A. No, sir.

Q. But you had knowledge of the fact that its formation was in contemplation?—A. I had knowledge of that fact, for the reason that Mr. Blair had been in communication, from time to time, with the vice-president of the Sioux City Railroad in connection with it, Mr. Smith, of my own county.

Q. You lived at Dubuque at that time?—A. Yes, sir.

Q. How much of that line of road was built by the Dubuque and Sioux City Company?—A. One hundred and forty-two and a half miles, I think, by that company and its immediate predecessor.

Q. And then it broke down. At what time did that company break down—suspend its operations?—A. They did not break down. They stopped building, I should say, in 1865. I am not certain as to the exact time.

Q. Do you know who else was interested with Mr. Blair in getting up this company originally? I mean, before the company was formed, who was in the plan with him?—A. I do not know. I think there were several gentlemen in Iowa, and I should think Mr. Ames was consulted about it, from the fact that Mr. Ames and Mr. Blair were always together interested in railway projects in our State.

Q. Do you know whether Mr. Blair was here during that winter of 1867-'68?—A. I do not know. He may have been—very likely; he was in the habit of being here two or three times a year.

Q. Had you a knowledge at that time of the pendency of the bill in the Iowa legislature which resulted in the act of April 7, 1868, the purpose of which was to legalize, confirm, and carry out the contract between the Dubuque and Sioux City Railroad Company, and to extend the time for completing the said railroad from Dubuque to Sioux City?—A. I have no doubt I had a knowledge of it while it was pending in the legislature. I do not remember that fact distinctly now. It was a matter of very great interest to our people, and I have no doubt I kept myself posted about it.

Q. Can you tell now, from your recollection, whether that bill was pending while the bill in Congress was pending to extend the time?—A. Our legislature meets either on the first or second Monday in January—I am not certain which—so that at the time this act was pending in Congress, a portion of it at least, our legislature must have been in session. I think they met the second Monday in January. There was something of a contest in relation to this land-grant in our State legislature in the early part of the session. Mr. Blair stated to the legislature that if the grant was given to him and his associates he would build the road rapidly, claiming that if it was granted to the old company they would not build it so rapidly; that they had not the means, or if they had they would not invest them as he and his associates would invest them. That contest, I think, lasted for some time, and then they made some agreement with the old company by which Mr. Blair agreed with the old company to build this railway, and they agreed with him to give 10 per cent. drawback upon all business that came over their line to Dubuque. Being familiar with the affairs of the

old company, I can state to the committee that the reason they objected to Mr. Blair having the land-grant was, that he and his associates owned a line of railway forty miles south, and they supposed if he got the land-grant he would build a branch from Iowa Falls down to this other railway, and thus cut off the Dubuque and Sioux City road from a portion of the business which naturally belonged to them.

Q. Diverting it from Sioux City?—A. Diverting it from Dubuque. When Mr. Blair made his arrangements for the operation of the line from Sioux City to Dubuque, I think the whole matter was adjusted, and the result of the adjustment was the contract which was made.

Q. Did or not that contest turn as well on the act I have called your attention to, as on the act of March 10, in the Iowa legislature, resuming certain rights conferred upon the Dubuque and Sioux City Railroad Company, found upon page 29 of the acts of the Iowa legislature of that session?—A. My impression is that all these matters were adjusted before either of these acts was passed.

Q. These acts were the result of this compromise?—A. I do not know that they were the result of it.

Q. I mean that they were enabled to pass these acts because of that agreement?—A. Of course when Mr. Blair agreed to build the line from Dubuque to Sioux City, there was then a general understanding that he should build the road.

Q. The opposition then ceased?—A. There was an amicable adjustment, as I understand, between the old company and the new.

Q. Of course the new company must have been in existence before the act of April 7, 1868, which act gives the name of the company, and recites the agreement.—A. I think very likely the articles of association were filed before that. In our State such a company is incorporated under a general law, by filing with the secretary of state articles of incorporation.

Q. You can explain, I presume, whether there has been any construction company proper to build the Iowa Falls and Sioux City Railroad, or whether the road was built by the railway company?—A. There was a construction company.

Q. When was that formed?—A. I do not remember. The articles of incorporation of that company are also on file in the office of our secretary of state. The company was organized under the general laws of the State.

Q. Of whom was that company composed?—A. A great many people.

Q. Generally was it of the same persons as the corporators of the railroad company?—A. I do not remember who the corporators of the railway company were.

Q. Please state whether there was any separate interest or whether the same persons who owned the railway company formed and owned the construction company.—A. I think so. There may have been some people interested in one and not in the other. The construction company was formed to build the railway. The construction company, I think, had no interest in the lands. These lands were granted by the legislature directly to the railway company.

By the CHAIRMAN:

Q. The result was that they furnished the money to build the road, and took their pay in the stock and bonds of the road; that they owned the railroad and became a railroad company?—A. Yes, sir; they became the owners of the stock in the railway company. I should think that would be the natural result of the proceeding.

By Mr. STEVENSON:

Q. You may state to the committee what your interest was in that company, and when you acquired it.—A. I cannot state when I acquired it, nor can I state precisely what it was. My impression is that it was fifty or sixty thousand dollars originally that I subscribed to the construction company. I think it was $60,000.

Q. Was it in your own name?—A. I think so. I am not certain about that.

Q. Had any one any interest with you?—A. No, sir.

Q. Was that subscription made at the time the company was organized?—A. No, sir; not for a considerable time afterward.

Q. How long?—A. I do not remember.

Q. Was it an original subscription or a purchase?—A. It was an original subscription.

Q. Do you remember when the agreement was entered into, upon which you made that subscription, whether you applied for it, or whether Mr. Blair applied to you?—A. I should say Mr. Blair applied to me. I think so.

Q. Where?—A. I do not remember; probably here—wherever I was in 1868. It may have been after I returned home in July, 1868; I am not certain.

Q. Do you still hold that interest?—A. No, sir.

Q. When did you dispose of it?—A. I disposed of a part of it, I think, after paying two installments; I disposed of the balance of it a year or two ago; I do not remember when; I have no interest in the company now, I believe; I sold it last year, to the best of my recollection.

Q. Do you remember any other member of Congress who is interested in it?—A. Not of my own knowledge; or except in a general way. I understood that several members were interested. I have seen the books of the company, but I could not say now what they show. I should say that Mr. Hooper, of Massachusetts, and Mr. Ames, of Massachusetts, both members of Congress, appeared on the books as having an interest, and I think Mr. Blaine, of Maine, appeared as a stockholder. I do not remember any others; there may be others.

Q. How long since you have seen these books?—A. I think I saw them last in 1871. I was a director in the company from 1871 until 1872, or from 1870 until 1871; I am not certain which. D ng the time I was a director of the company, I saw the books.

Q. Did you know that Mr. Wilson, of Iowa, was interested in it?—A. Yes, sir; I had forgotten the name of Mr. Wilson. I knew he had some interest in it.

Q. Was General Dodge, of Iowa, interested in it?—A. I think he was, though I will not be certain about him.

Q. Was he a member of Congress that session?—A. I think so. He was a member of the Fortieth Congress.

Q. Do you remember whether Mr. Hooper, of Iowa, had any interest in it?—A. I do not. He may have had. I do not know.

Q. Do you know what amount of lands this company received?—A. I do not. A considerable portion of their lands are still in dispute. They have a litigation in regard to perhaps two hundred thousand acres.

Q. Of the Des Moines River lands?—A. Various suits on the Des Moines River swamp lands. They have now a dispute with the original Dubuque and Sioux City Railroad Company, involving, I think, seventy-six thousand acres.

Q. Do you know what part of the grant that company received?—A

It received a grant which one hundred and forty-two miles of railway would give under the law, whatever it was.

Q. The other company would have the remainder?—A. Yes; under their contract the other company was to have the remainder.

Q. Was there any connection or interest between this road and the Sioux City and Pacific Railroad?—A. What do you mean by "interest?"

Q. Any joint ownership.—A. No, sir; none whatever.

Q. Or a relationship between the companies?—A. No relationship between the companies. A great many people who were interested in one company were also interested in the other.

Q. Mr. Blair is the principal manager of both?—A. Yes, sir.

Q. Is it true that the original Dubuque and Sioux City Railroad Company had some interest in the charter of the Sioux City and Pacific?—A. The Dubuque and Sioux City had some interest in it if they thought proper to assert their interest.

Q. Did not the Iowa Falls Company succeed to whatever interest the original company had?—A. I think not. I am not sure about that. I think the agreement is set forth in that law. I have forgotten what the specific terms of the law are. I have not examined it.

Q. It may be embodied in the terms of the law. It does not purport to be, I think.—A. I have not examined that law lately.

By the CHAIRMAN:

Q. You spoke of Mr. Blaine being a stockholder in that company; do you know when he became so?—A. I do not.

By Mr. STEVENSON:

Q. Do you know whether the Messrs. Coburn, of Maine, or either of them, were stockholders?—A. I think they were. I do not remember distinctly seeing their names. I had an idea they were, but whether I derived it from what I have seen recently or from what I saw on the books I am not certain.

Q. Did you get your impression as to their ownership, or that of Mr. Blaine, from the books or from communication with others interested?—A. I could not give you all my sources of information. I may have learned it from conversation, or from the books. I had the impression that the name of Coburn appears on the books. It may not appear. I think it does.

WASHINGTON, *February* 7, 1873.

JOHN I. BLAIR sworn and examined.

By Mr. STEVENSON:

Question. Where do you reside?—Answer. At Blairstown, New Jersey.

Q. What is your business?—A. I have been a merchant, a manufacturer, a banker, and a builder of railroads, such as I own; not for other people. I have invested very largely in them.

Q. A manufacturer of what?—A. A manufacturer of iron, cotton, and other material; I have a rolling-mill.

Q. How long have you been engaged in the iron business?—A. Since 1848.

Q. Were you or not one of the original corporators of the railroad company in Iowa known as the Iowa Falls and Sioux City Railroad Company?—A. I was; there were four of us who were.

Q. Who were the four?—A. Platt Smith, of Dubuque, who was a former president of the railroad company which was intended to construct the entire line from Dubuque, on the Mississippi, to Sioux City; John F. Duncombe, of Fort Dodge; W. W. Walker, and myself.

Q. When was that corporation formed?—A. That corporation was formed in 1867; that is my impression.

Q. When was the verbal agreement made to form it?—A. It was just about that time; I can give you a little history of the matter if you wish. The first I knew of it, Platt Smith wrote me some time previous to the formation of the company that he was disposed to get up a company to build that road; that he was satisfied the Dubuque and Sioux City Company would not be able to extend the road to Sioux City; they had constructed the road as far as Iowa Falls, having had great difficulty in raising the necessary funds; he asked whether I would join him and others he named in incorporating a company for that purpose. Congress, in 1856, I think, gave the State of Iowa a land-grant for a road from Dubuque to Sioux City, which had, as I stated, been constructed to Iowa Falls; I at first wrote him that I would have nothing to do with it; I thought they simply wanted the use of my name for raising money; afterward I wrote him that if he would put in two good Iowa men, with my friend Mr. Walker, I would consent to come in as the fourth to organize the company.

Q. Where did Mr. Walker reside?—A. At Cedar Rapids. I built that road across the State to Omaha. We had a land-grant there, and I was very desirous, for other reasons, that that road should be extended; my proposal was assented to, and the company was incorporated by the four parties I have named.

Q. Is not Mr. Walker from Brooklyn, New York?—A. No, sir; he is from the State of New York; I think he is secretary or engineer of a company now in Brooklyn.

Q. The original land-grant from Congress had then expired?—A. My impression is that it would expire next winter.

Q. It did expire in 1866.—A. If that was the fact, then the old Dubuque company was to get the time extended themselves, at least I supposed they would do it; if they had not I suppose I should not have built the road.

Q. Was that condition in your proposition?—A. Certainly, because building a road where there is no population or traffic of any sort, where the profits are like young ladies' happiness, all anticipation, of course I would not have built the road without the land-grant. The land-grant was extended on the 2d of March, 1868, by Congress; I then went and made arrangements with the Dubuque and Sioux City Company, and also made a lease to the Illinois Central Railroad Company, who owned the road from Chicago to Dubuque, so that they might have one continuous line from Chicago to Sioux City. I then got up a subscription-paper.

Q. Have you a copy of that agreement made with the Dubuque and Sioux City Railroad?—A. I have it somewhere; it was printed, and a considerable number of copies distributed; it was made the 7th of January, 1868.

Q. That was before the bill passed Congress?—A. Yes, sir; we arranged all these things under the supposition that the bill would pass.

Q. Were you here in Washington while the bill was before Congress?—A. Yes; I came here to Washington in connection with some other matter, and while I was here obtained a little amendment to the bill. The legislature in Iowa had a bill before them accommodating every-

body who wanted a railroad to run through their village; it would have been very difficult to get a road across the State according to the terms of that bill. The original bill before Congress was to build the road on the line of the old survey, and I obtained an amendment in that respect, directing that it should be built within the limits of the land-grant; there were some very objectionable points in the survey of 1856, which were obviated by this amendment. The bill passed Congress, as I said, the 2d of March, in the legislature of Iowa, and Dubuque City opposed the proposition to give the grant to our company very strongly, and they opposed the bill all the way through, although it eventually passed the House with only three dissenting votes.

Q. They opposed it, did they not, until you had made the agreement with the Dubuque and Sioux City Company?—A. They opposed it all the time; when I made my contract for carrying out these arrangements I did not suppose there would be any opposition, but there was a very serious opposition, and, I think, they spent a good deal of money to defeat it; they had a strong lobby there all the winter, but it did not amount to anything; the people of Iowa wanted that I should build the road; they knew if I took hold of it I would build it; I had built other roads in the State, and they knew I built for clean money and nothing else; I never had any trouble in getting money for any subscription I would head.

Q. You spoke of the opposition you had in the legislature; did it cost the company anything to obtain that legislation?—A. No, sir; I told Mr. Smith that what he actually spent for his board the company would pay, but nothing else; I think he rendered a bill of about $1,200; if I recollect right, Mr. Duncombe also had some small account for his expenses.

Q. Is he a member of the legislature?—A. I think he is now; he was not then; I really had no acquaintance with Mr. Duncombe at the time.

Q. I have been informed that there is an item on the books of that company, or somewhere connected with it, in Iowa, showing an expenditure under the head of construction of $80,000, and which refers to expenses in securing legislation.—A. I believe I paid out every dollar that was paid, and I know I paid for nothing of the sort.

Q. What were the expenses in Washington?—A. Nothing, except my own personal expenses, and I bore them myself. I had nothing to do except to put the bill in a shape that would make it acceptable, and enable us to construct the road.

Q. That is, you fixed the line in the act of Congress?—A. The line was fixed, as I have stated, by Congress within the land-grant. Under the bill they had in the Iowa legislature the road would have been worth nothing. Every politician and every stockholder had his points to which the road must run. I would not have built it under that bill.

Q. Have you the subscription-book of the company here?—A. I have. I wanted $5,000,000, but the subscription ran up to $7,968,000, when I shut down. In regard to our contract with the old Dubuque and Sioux City Company, they agreed to give us 10 per cent. on all the business over our part of the road coming to them or going from them. They were, of course, largely benefited by our giving them a through connection. This contract was to continue for twenty years. The Illinois Central agreed to give us 35 per cent. of the gross earnings for the first ten years and 36 per cent. for the next ten years, with the right of renewal, they to stock the road.

Q. What was the right of renewal?—A. It was perpetual.

Q. Was there anything in the contract in regard to the lands?—A. No; they only got the road; they did not get the lands.

Q. I mean the Dubuque and Sioux City Railroad.—A. They were to have the lands *pro rata* for the miles they built. The legislature confirmed that contract by an act of March 10. If they got the full grant they were to get their full lands; if they did not get a full grant they were to receive their *pro rata*.

Q. Was that legislation in Iowa made on the motion of your friends?—A. Yes, sir; that is I recommended that it should be done as a fair proposition for all parties. I would not go in myself, or recommend my friends to go into the enterprise, unless these things were all straight. I want to say that I have never sold a share of stock or bonds in all these investments; the work has been done for clean money, and if you look over the list you will find that it amounts to millions.

Q. Did the old Dubuque and Sioux City Company have any interest in the contract with the Sioux City and Pacific?—A. No, sir; I think not. The land-grant was conferred upon the old Dubuque Company, and the State afterward conferred it upon us; they were, of course, hostile to our having the grant, and if they could have defeated it they would have done it. They were afraid if I came in I would divert the traffic down to the lower road which I built across the State. There were many of the stockholders in the old Dubuque Company who would not put a dollar into that company to extend the road, but who said if I would come in and make a clean thing of it they were willing to invest their money.

Q. I understand you that Platt Smith was the president of that road?—A. Not at that time; he had formerly been president, but lived at the terminus of the road, at Sioux City, and looked upon the extension of the road, of course, as a great thing for that town. Indeed, no man of that region could have been elected to the legislature, or anywhere else, who was not in favor of extending the road and giving it to somebody who would build it.

Q. The object of the Iowa Falls and Sioux City Company was to form a connection with the Sioux and Pacific?—A. Yes; of course it would be a feeder to that line.

Q. Was the Sioux City and Pacific road then built?—A. It was under construction, and in fact I think it was built in 1868 up to Sioux City.

Q. When was the subscription to your company made?—A. It commenced to be made in June, 1868.

Q. Was there any understanding or agreement before this contract was made by any of the parties, as to how much they were to subscribe?—A. No, sir; nothing whatever.

Q. Was there any understanding as to who should go into it at all?—A. No, sir; I was very desirous that people in Iowa should go into it largely; that people living along the line should own stock in it; they had no money out there to build the road; Mr. Smith took some stock, and I made his allotment in such a way that the company should take some land he had in payment; Mr. Duncombe made a subscription which was about equal to his salary.

By the CHAIRMAN:

Q. The committee do not care to go into these details; what they want to know is, whether and what members of Congress were interested.—A. I can answer you squarely in respect to that; I can say to the committee that no man in Iowa, or elsewhere, ever got any one dol-

lar of blackmail out of me; every man who came into that arrangement had to pay his cash down, and I was very desirous of letting everybody have stock who wanted it; and so the subscription was allowed to run up beyond what was wanted, with the understanding that if there was a surplus it might be applied to some other enterprise.

By Mr. STEVENSON:

Q. I see that this subscription-book is for a construction company, not the railroad company.—A. That was for the Iowa Falls and Sioux City Construction Company; it was the same thing; we had no outside people in it; we got all the stock, all the bonds, and all the land, and all there was in it, ourselves.

Q. I see the list is headed by yourself, D. C. Blair, and J. I. Blair; who are the others?—A. One is my son and the other a brother. Perhaps you would like to know how I came to go into the matter of building railroads in Iowa at all. I went as a deligate to the Chicago National Republican convention in 1860, and made a contract for furnishing railroad-iron; the company was unable to pay, and I found myself with 40 miles of iron, and they gave me the road. I then ascertained that the road was worth nothing unless it was extended, and so I made arrangements to go into the construction of the road. There was no land to be obtained unless the road was built. The Sioux City and Pacific is paraded here as having received from Congress a grant of 640,000 acres, when in fact they did not get but 5,000 acres, and that was all refuse land here and there, not worth $2 an acre.

Q. You got something better than that, however; you received the money or bonds of the Government to build that road?—A. We got the bonds of the Government, of course, for which we gave the Government a second mortgage, having the right to issue $16,000 to the mile as a first mortgage, but there was no money in that enterprise unless the road itself should prove valuable; it would be like the Frenchman who made $2,000 before breakfast by marking up his goods. There is no money in any of these Iowa railroads; if any of you gentlemen want anything I have there you can have it by paying 7 per cent. interest on what it has cost. Some time these roads may be worth money; we expect they will be as the country develops; if we had not built them out of our own money the stock and everything would have been sacrificed and the roads would have gone into different hands.

Q. What members of Congress joined in this subscription?—A. Very few. They were generally too poor to get much out of them; and if we got it out of them, we had to take it back. I tell you that men of great reputation, without money, do not do much work in building railroads. Mr. Allison, I think, took a small interest. He lived at Dubuque. I insisted that parties in Iowa should take stock, and he took a small interest.

By Mr. MCCRARY:

Q. Did you go to him to get him to subscribe?—A. I spoke to him about it and wished him to be interested with us. At that time he had no money; I think afterward he subscribed and paid for some stock. Nobody ever got any stock of that company who did not pay for it. The firm of Samuel Hooper & Co. subscribed to some of the stock; they had stock in the old Cedar Rapids road. Mr. Hooper is a member of Congress, but his partner in Boston transacted the business.

Q. What was the proportion of the allotments to the subscription?—A. Fifty-seven per cent. was paid in in money. Mr. Oakes Ames was one of the large subscribers; his subscription is for $525,000.

Q. I see that $155,000 is put down to "Oakes Ames, trustee." Do you know for whom he was trustee?—A. No, I do not. I think he owns that himself. I knew nothing at all about it. I think he assumed the subscription and paid for the stock himself; my impression is that he subscribed originally for some of his friends in New England, if they would take it. General Dodge, as I understand, was then a member of Congress. I think I had his letter that he would take some stock, if he could make arrangements to get the money in New York, and that he afterward did arrange with some banking-house there to get the money and subscribe for some of the stock.

Q. Was Mr. Hubbard, then a member of Congress from Iowa, a subscriber?—A. I think not; James F. Wilson, I think, subscribed through Mr. Coolbaugh, of Chicago; at least I understood that he was to make some arrangement with Mr. Coolbaugh by which he was to have stock.

Q. Was Glenni W. Scofield a subscriber?—A. I think Mr. Scofield was a subscriber, but that his subscription was made when the road was pretty well along in its construction.

Q. Do you know who furnished the money for Mr. Allison?—A. No, sir, I do not; I am under the impression that it was a gentleman from New York or Boston; I think it was a banker in New York.

Q. Do you know whether Mr. Blaine, of Maine, was a subscriber?—A. I cannot say about Mr. Blaine; I understood that he had stock; the Coburns, of Maine, subscribed $200,000, and I think I saw something in the newspapers that Mr. Blaine was to have some of that stock; I do not know anything myself, about Mr. Blaine taking any stock at all.

Q. Did you have any conversation on the subject with Mr. Blaine at the time you were getting your subscriptions?—A. I think not; I think he must have spoken to me some time afterward.

Q. Did you have some correspondence with him on the subject?—A. I have no recollection of any at all.

Q. How did the Coburns come to subscribe?—A. They were taken in by our eastern people, I think by A. W. Johnson, who lived down there and was a very wealthy man; he was in all our Iowa enterprises, and I suppose the Coburns came in through him; I know nothing about it personally at all. I think Mr. Blaine spoke to me once about some bonds he was buying, and asked me as to their value, or something about them; I think he said his friends down there had some stock, and that he might have some interest, or something of the sort; I was not well acquainted with him, and remember very little of the conversation.

Q. Did these gentlemen come to you or did you go to them; I refer to the members of Congress?—A. I did not go to them, except in the case of Mr. Allison; I know I solicited him very strongly, as I perhaps did Mr. James F. Wilson, as indeed I did almost every man I could reach in Iowa.

Q. Did you not go to Mr. Blaine and ask him to subscribe?—A. I may have asked Mr. Blaine, but I have no recollection of it; the conversation I had was a long while after the company was formed and when the road was pretty much construced. I let in several parties about that time on their paying the cost and 7 per cent. interest. I was more solicitous of having Iowa people than anybody else, because our property is there, and if you build a road with the money of eastern people exclusively you have no friends there.

By the CHAIRMAN:

Q. Do you know of any member of Congress who had anything to do with this road?—A. Nobody except those I have mentioned.

Q. What amount did Samuel Hooper & Co. have?—A. I think some seventy odd thousand dollars; I am not sure.

By Mr. STEVENSON:

Q. Was Mr. McComb, of Wilmington, Delaware, a subscriber?—A. Yes, he was in the Cedar Rapids road, and I addressed circulars inviting all those who were in that road to take stock in this enterprise.

Q. What was the contract for building this Iowa Falls and Sioux City road?—A. What we contemplated was to take $16,000 a mile of bonds. We valued them in the market at 80 cents, and we issued stock which we valued at 50 cents. That would be about the cost of the road. We found the money to build the road, and divided the bonds and stock *pro rata*. We had no outsiders; we owned the road.

Q. I find the subscription on this book of Samuel Hooper for $200,000.—A. It was probably that; I was thinking it was about $70,000. Mr. Hooper was largely in the Cedar Rapids road. The stock was not made up all at once for these roads. I commenced building them with very few parties as associates, and they kept coming in from time to time.

Q. I see the names of J. L. and N. M. Hubbard here; was either of them a member of Congress from Iowa?—A. No, one was an eastern man and the other a lawyer in Cedar Rapids; neither was a member of Congress.

Q. I find the name of H. S. McComb for $50,000?—A. Yes, Mr. McComb was in the Union Pacific road; this line would be one of the feeders of that road.

Q. Will you state to the committee what was your object in getting in these men without capital, such as the members of Congress you associated with you.—A. I had no object on my part in view at all except that I wanted men in Iowa to be interested, such as Mr. Allison. Dubuque was to be largely benefited by the construction of the road, but I could get very few people in Dubuque or in Iowa to take stock. I solicited Mr. Smith, who took some stock. I never solicited General Dodge. I thought the enterprise was one that would be ultimately a good one. We wanted nothing of Congress. I should have liked to have you or any other respectable person engage with us in the enterprise, and I would have let you in if you would come in and hold your stock.

Q. But you say you generally had to buy them out again?—A. There were some people who wanted to sell out. I refused, myself, to buy them out. I supposed you had reference to whether we had paid, directly or indirectly, members of Congress or other influential gentlemen to do this, that, or the other, and I told you squarely we never did any such thing. They have not always given me as good a name as I ought to have. I never had anything to do with any black-mail operation in my life.

Q. Will you answer the question whether you have bought out any one of these gentlemen who was a member of Congress?—A. No, sir; I have not. I know that some of them have sold out, at least their stock has been transferred. It may have been sold and may have been hypothecated.

Q. Whose stock has been transferred?—A. I think Mr. Allison has transferred his stock, and a good many others have hypothecated or sold theirs. I have been told that some of these gentlemen, members of Congress and others, have used it to raise money on.

Q. Please state what quantity of lands this company received.—A. Well, sir, we were entitled to 3,860 acres a mile. It was said to be a

full grant at the time. I think we have had certified to us about 3,000 a mile.

Q. How many miles have you built?—A. One hundred and eighty miles, and we have had certified five or six hundred thousand acres.

Q. The subscribers to the construction company got all the land?—A. The land goes to the stockholders.

Q. Is there a mortgage on it?—A. Yes; the bonds are secured by mortgage. I did not care about it, but some of my friends said that outside parties might buy up a majority of the stock and put a mortgage on it for $20,000 a mile, which would destroy the value both of our bonds and stock, and I therefore said to our people that we will issue bonds to a small amount, and mortgage the road for their payment.

Q. What interest do the bonds bear?—A. Seven per cent. The earning of the road for us have really paid but about 3 per cent., but the bonds are well secured, and are good bonds for investment.

Q. What was the actual cash cost of that road originally?—A. We paid in 57 per cent. on eight millions, about $4,625,000. That was the cost of the road, depots, round-houses, side-tracks, and everything. That was the whole amount expended.

By Mr. MERRICK:

Q. Are you selling lands from time to time?—A. Yes, sir; we are. There were about 700,000 acres originally in the grant, and the Government must have owned very nearly a million acres, which, under your laws, remained open to be given away for several years, but nobody would take them. Even speculators would not buy them at the Government price. But the moment I struck the road, and people knew it was to be built, the homestead men and speculators came in as thick as the locusts of Egypt. I think the Government received about half a million dollars for the land that it sold, and the rest of its share was given away. You understand that the Government does not really give these railroads anything by their land-grants, because they put up the price 100 per cent. on the sections they reserve. Then the taxation the local authorities manage to put upon these railroad lands is enormous.

(Witness here related several incidents illustrating the ingenuity of county and other local authorities in taxing the lands of railroads and non-residents.)

By the CHAIRMAN:

Q. Does Mr. Hooper still own the stock he subscribed?—A. I presume so.

Q. Do you know what became of Mr. Allison's stock which Mr. Coolbaugh subscribed?—A. I think it has been transferred; I do not know who to.

Q. Do you know whether Mr. Blaine, of Maine, was ever a stockholder in the road?—A. I do not know. His name has never appeared on the books, and I have no knowledge from my connection with the road that he has ever had any interest in it.

Q. Do you know, or did you ever understand from your relation with the road that he was in any way interested in these subscriptions made by the Coburns?—A. Not except by hearsay.

Q. Have you any knowledge of any influences of any sort being brought to bear here in Congress to get the land-grant extended?—A. Not at all. That was an obligation upon the part of the State of Iowa.

Q. The subscriptions you have produced was made when?—A. The date is June, 1868. Most of them were received after that time.

Q. Then all these subscriptions were made after the land-grant was renewed?—A. Yes, sir.

By Mr. McCRARY:

Q. Do you know of any promises having been made, or of any conversation having been had, with members of Congress before the land-grant was extended?—A. No, sir; none at all.

Q. Was there any person here representing your company about the time the grant was extended excepting yourself?—A. I do not know that there was. I do not think there was. I did not come here myself directly on that business.

Q. You do not know of any lobby that was here on that subject?—A. There was no lobby. Nobody paid a dollar for any such purpose.

By Mr. STEVENSON:

Q. If you had any conversation with Mr. Blaine about the Coburns subscribing, when was it?—A. I really cannot say about that. My impression is that when the road was about finished, I was here in Washington, and that Mr. Blaine spoke to me about the value of the stock and bonds, and how they were coming out.

Q. That was after the Coburns had subscribed?—A. Yes, sir.

Q. Mr. Blaine has said that he did have a conversation with you in which you asked him to subscribe, and he suggested that the Coburns might subscribe. I want you to fix the date of that conversation.—A. I know I had no conversation with Mr. Blaine until long after this legislation in Congress. It may have been in the summer or fall of 1868, and I may have asked him if he would not come in.

Q. If you had any such conversation, must it not have been before the Coburns subscribed? And then I want to ask if you ever met him anywhere else than here.—A. No, sir; nowhere else than here. I know I did have a conversation with him, and my impression is that it was about the value of the property. I cannot recollect distinctly. I have had so many of these subscriptions, that it is a pretty difficult matter to recollect. Mr. Blaine was an entire stranger to me.

By the CHAIRMAN:

Q. Did you ever understand from Mr. Blaine that he was interested in the subscription of the Coburns?—A. No; I do not know that I can say really that I did; I know nothing about it. This subscription they sent me from Boston. I knew nothing about it except receiving the subscription purporting to be made at such a date, and these subscriptions really ran along for two years.

Q. And you think the conversation you had with Mr. Blaine was later?—A. O, yes; we had nothing to ask of Congress. I know that I came here and asked to have the bill changed, so that the road should be located within the grant. That is all I wanted.

The following papers, presented by Mr. Stevenson, were placed in evidence:

We the undersigned, for the purpose of aiding the Sioux City Railroad Contracting Company to construct a railroad from Iowa Falls to Sioux City, do, for value received, hereby severally agree, each for himself and not for one another, with the directors of the said Sioux City Railroad Contracting Company, to pay to them or to their use the par value of $10,000 for each and every share of the capital stock of the Sioux City Railroad Contracting Company set opposite our names respectively,

and for which we hereby subscribe, payable at the call of the president, under direction of a majority of the directors, or the executive committee, and in a manner to be designated by them, in installments as may be required in the progress of the work, but not to exceed 20 per cent. on the par value of each share subscribed in any month. Dated June —, 1868.

The following names are selected from the subscribers:

John I. Blair, 50 shares	$500,000
D. C. Blair, per J. I. B., 10 shares	100,000
J. I. Blair, trustee, 10 shares	100,000
John B. Alley, 20 shares	200,000
Oakes A. Ames, (O. A., N. Easton,) 3 shares	30,000
Oliver Ames, 2d, (O. A., N. Easton,) 3 shares	30,000
Frank M. Ames, (O. A.,) 3 shares	30,000
P. Adams Ames, 5 shares	50,000
Oakes Ames	525,000
Oakes Ames, trustee	155,000
Oliver Ames & Sons	100,000
Frederick L. Ames	30,000
William B. Allison	30,000
A. & P. Coburn	200,000
Wm. F. Coolbaugh	20,000
Frederick A. Pike	20,000
Jas. F. Wilson	30,000
Jas. W. Grimes	80,000
Glenni W. Scofield	20,000
Saml. Hooper & Co	200,000
H. S. McComb	50,000

Articles of incorporation of the Iowa Falls and Sioux City Railroad Company.

ARTICLE 1. John I. Blair, Platt Smith, John F. Duncombe, William W. Walker, and their associates, hereby form a corporation under the name and style of the Iowa Falls and Sioux City Railroad Company, for the purpose of constructing, operating, and maintaining a railroad from Iowa Falls to the Missouri River, on some point of junction of the Sioux City and Pacific Railroad.

ART. 2. The said corporation shall commence on the first day of October, eighteen hundred and sixty-seven, and continue for fifty years, with the right of renewal.

ART. 3. The board of directors of said corporation shall have power to lease the said road to be constructed to any other railroad company, or to consolidate the stock with such other company, it being the object of this corporation to form a through line of transportation from the Mississippi River so as to connect with the Union Pacific Railroad.

ART. 4. The principal place of business of said company shall be at the city of Dubuque, Iowa, but the board of directors shall have power to move the same by a two-thirds vote at any regular annual meeting.

ART. 5. The capital stock of said company shall be six millions of dollars, divided into shares of one hundred dollars each, which may be called in by monthly installments not exceeding ten per cent. in any one month.

ART. 6. The greatest amount of indebtedness which the company may owe at any one time shall be four millions of dollars.

ART. 7. The individual property of the stockholders shall be exempt from the payment of the corporate debts.

ART. 8. The affairs of the company shall be managed by a board of seven directors, who shall continue to be directors until the first Monday in September, eighteen hundred and seventy, when the first annual election of directors shall be held, and annually thereafter on the first Monday of September, provided that John I. Blair, Platt Smith, John F. Duncombe, and William W. Walker shall constitute the first board of directors, for the purpose of organizing the company, procuring right of way, and such rights and property as may be deemed right and necessary for the company, and that the said provisional directors shall possess the same power in every respect as a full board, and they shall have power from time to time to appoint other directors until there shall be a full board.

ART. 9. The officers of the company shall at first consist of a president, secretary, treasurer, and attorney, and after a full board shall be appointed a vice-president may also be elected. Each officer of the company shall hold his position during the pleasure of the board.

ART. 10. The board of directors shall have power to fill any vacancy that may at any time exist in their body.

JOHN F. DUNCOMBE.
WILLIAM W. WALKER.
JOHN I. BLAIR.
PLATT SMITH.

DUBUQUE, DUBUQUE COUNTY, *State of Iowa:*

I hereby certify the above is a true and correct copy of the articles of incorporation of the Iowa Falls and Sioux City Railroad Company, filed in the office of the recorder of this county on the 19th day of November, 1867.

Witness my hand and seal of said company this 13th day December, 1867.

[SEAL.] JOSEPH HERON, *Secretary.*

Amendment to the articles of incorporation of the Iowa Falls and Sioux City Railroad Company, passed at the annual meeting held at Cedar Rapids, Iowa, on September 5, 1870:

Resolved, That the articles of incorporation of the Iowa Falls and Sioux City Railroad Company be amended by the addition of the following article, viz:

After the election of directors on the first Monday of September, 1870, as provided in the articles of incorporation of said company, the regular annual meeting of the stockholders of the company for the election of directors and the transaction of other business, shall be held at the city of Cedar Rapids, on the second Wednesday of June in each and every year thereafter, commencing on the second Wednesday of June, 1871.

The directors who shall be elected at the election held on said first Monday of September, 1870, shall hold their offices until the second Wednesday of June, 1871, or until their successors shall be duly elected.

I hereby certify that the foregoing is a true and correct copy.

Attest:

[SEAL.] WM. BUCHANAN,
Secretary Iowa Falls and Sioux City Railroad Company.

Filed in the office of the secretary of state May 6, 1871.

ED. WRIGHT,
Secretary of State.

Amendment to the articles of incorporation of the Iowa Falls and Sioux City Railroad Company, passed at the annual meeting of the company held at Dubuque, October 13, 1869:

Resolved, That the principal place of business of this company be removed from Dubuque to Cedar Rapids, on and after the 1st day of November, 1869, in accordance with the provisions of Art. 4 of the articles of incorporation.

I hereby certify that the foregoing is a true and correct copy.

[SEAL.] WM. BUCHANAN,
Secretary Iowa Falls and Sioux City Railroad Company.

Filed in the office of secretary of state May 6, 1871.

ED. WRIGHT,
Secretary of State.

Amendments to article eleven of the articles of incorporation of the Iowa Falls and Sioux City Railroad Company.

Resolved, That the time of holding the annual meetings of the stockholders of this company be changed from the second Wednesday of June to the third Wednesday in May.

I hereby certify that the above and foregoing is a true copy of a resolution adopted at the annual meeting of the stockholders of the Iowa Falls and Sioux City Railroad Company, held at the office of the company, Cedar Rapids, Iowa, June 14, 1871, due notice thereof having been given, more than two-thirds of the stock being represented and voted upon at said meeting.

CHARLES E. WALKER,
Secretary.

Filed for record in the recorder's office, Linn County, Iowa, January 26, 1872, at 12 o'clock m. Recorded in book of incorporation, at page No. 348.

JOHN J. DANIELS,
Recorder.

Filed in the office of secretary of state February 5, 1872.

ED. WRIGHT,
Secretary of State.

I, Josiah T. Young, secretary of state of the State of Iowa, hereby certify that the above and forogoing is a true and correct copy of the articles of incorporation of the Iowa Falls and Sioux City Railroad Company, with all amendments thereto, as fully as appears of record in my office.

In testimony whereof I have hereunto set my hand and caused the great seal of the State to be affixed.

Done at Des Moines this 3d day of February, A. D. 1873.

JOSIAH T. YOUNG,
Secretary of State.

WASHINGTON, *February* 6, 1873.

SAMUEL HOOPER, a member of the United States House of Representatives from the State of Massachusetts, sworn and examined.

By Mr. STEVENSON:

Question. Are you a stockholder in Iowa Falls and Sioux City Railroad Company?—Answer. I am, or rather my firm is.

Q. What firm?—A. S. Hooper & Co.

Q. Who compose that firm?—A. F. Gordon Dexter and myself.

Q. In what proportion are you interested in that firm?

WITNESS. I do not desire to go into my private matters in this examination unless the committee determine that the question is a proper one.

The CHAIRMAN said he thought the question was hardly proper.

Mr. STEVENSON said his object in asking the question was to ascertain Mr. Hooper's interest in this transaction.—A. We were equally interested.

Q. What amount of money did you subscribe?—A. The firm were subscribers to the contract company that built the road, and as the result a certain number of shares were assigned to them.

Q. What was the amount of your subscription?—A. Two hundred thousand dollars. The assessments on the subscription amounted in the aggregate to 57 per cent., or $114,000; for this we have received certificates of stock of the road to $115,100, and $74,000 of bonds, making an aggregate par value of $189,100.

Q. When was this subscription made?—A. That I do not know; my partner tells me the first payment of assessment was in August, 1868.

Q. You did not make the subscription yourself?—A. No, I presume not.

Q. You were a member of Congress at the time you subscribed?—A. Yes, sir.

Q. Did you know at the time that any other members were subscribers?—A. I cannot say I did.

Q. Do you know now whether other members were subscribers?—A. I understood that Mr. Ames was a large stockholder. I think Mr. Allison had some stock; I do not remember any others.

Q. Do you remember when you ascertained these facts?—A. No, sir; I do not. John I. Blair was the manager of this business. Mr. Ames was usually with him in his projects. I think they built the railroads across the State of Iowa.

By the CHAIRMAN:

Q. Can you state how long you made your subscription of $200,000 before you paid your first assessment?—A. I should imagine it was a short time before; I find the first installment was in August, 1868, and the last one in August, 1870.

Q. And your first interest in the matter was when you made that subscription?—A. Yes, sir; when my partner made the subscription.

Q. He communicated with you first before making it?—A. I probably knew about it.

WASHINGTON, D. C., *February* 11, 1873.

OAKES AMES recalled and examined by the chairman:

Question. Mr. Stevenson wished me to make an inquiry of you with relation to the Sioux City matter. While you were away we had before us Mr. Blair, of New Jersey, with some of the books of the construction company in which your name appeared as a shareholder, and there was also an entry he spoke about standing in your name as trustee.—Answer. Yes, sir; that is correct.

Q. He desired me to ask for whom you held that stock?—A. In answer to that I will say that when we got up that company we thought it was going to be a very profitable investment. I had subscribed a large amount, but we found the subscription was going to be largely in

excess of the money wanted. Several of my friends had spoken to me about investments, and I subscribed a considerable amount as trustee in addition to the amount I took for myself, but without being trustee for anybody in particular. Of that stock I sold some to James M. Baker, some to Henry J. Gardner; I think Isaac Thatcher had quite an amount; Aaron Hobart, of Boston, took some. Mr. Bingham, a member of the House, I think had $500, or $600, which was a part of the investment I referred to in my testimony relating to Credit Mobilier matters.

Q. Do you remember whether the full amount you subscribed was distributed in that way?—A. I cannot say; I do not think it was.

Q. You subscribed this additional stock for the purpose of furnishing your friends if they wanted it?—A. Yes, sir; I thought it would be a good investment and that if they did not want it I would take it myself.

Q. Was Mr. Bingham the only man in Congress who received any of this stock?—A. Yes, sir.

Q. And the amount he received was $500?—A. It was $500, or the amount of money paid $500 or $600. The assessment was about 58 per cent. of the subscription, and his subscription may have been $1,000, and the amount of money paid 58 per cent. of that.

Q. That matter was not connected with the Union Pacific in any way?—A. Not at all; they were entirely distinct and separate matters in every way.

Q. I make these inquiries, because it having appeared on the books that a quantity of stock was subscribed in your name as trustee, Mr. Stevenson wished me to inquire of you about it.—A. I will be very happy to furnish Mr. Stevenson with any information in my possession on the subject.

WASHINGTON, D. C., *February* 7, 1873.

JAMES G. BLAINE recalled and examined.

By Mr. STEVENSON:

Question. How was the subscription of the Coburns obtained?

The WITNESS. I do not understand your question.

Q. I will then ask you more directly whether you had anything to do with this subscription of the Coburns?—A. I told you that very frankly before. Mr. Blair was here in the latter part of the summer of 1868, and was talking about among his friends. Senator Grimes mentioned it to me. I stated in my former testimony that I told him I did not have the funds to invest. He thought it would be a good investment, and said to him I would write to the Coburns, in Maine, about it, which I did. Their subscription was arranged through J. M. S. Williams, of Boston. He put the Coburns down at $200,000.

Q. Had you no conversation with Mr. Blair upon the subject?—A. I am not sure whether I had or not; I think not. I think the only conversation I had was with Senator Grimes. I am not positive about that. I certainly had no conversation of any important character at all.

Q. Did not Mr. Blair apply to you to subscribe?—A. Through Senator Grimes, I think, not directly. He may possibly have done so; it was not a material circumstance.

Q. When was that conversation?—A. I should say the latter part of July.

Q. Then the subscription of the Coburns was made through your

own application to them?—A. No, sir. Through their application to me, which is quite a different thing.

Q. They had a knowledge of the matter through you.—A. Yes.

Q. You stated in your testimony, as I remember it, that you obtained your interest in this road from the Coburns upon the settlement of a number of transactions with them?—A. Yes.

Q. Will you state to the committee what these transactions were?

WITNESS. If the committee ask that question I will answer it. It was private business wholly, but I have no objection to stating it if the committee regard the question as a proper one.

The CHAIRMAN. The committee are not directed to inquire into your interest in anything else except this railroad.

Mr. STEVENSON. My reason for asking the question is that the witness testified that he came by a certain property in a certain way, and I wish by a cross-examination to test that statement.

WITNESS. If you have any testimony contravening my statement in any way, I want you to produce it. I shall respectfully and cheerfully answer any question the committee may propound, but I do not propose to be catechised by Mr. Stevenson in what I should call outside the committee-room a very impertinent manner.

The CHAIRMAN said this conversation must terminate. The committee had decided the question was not a proper one.

Mr. STEVENSON. I wish to ascertain, if I am permitted to do so upon cross-examination, whether the statement of Mr. Blaine is correct; and in order to test that question I wish to ask him what he gave the Coburns for the stock he has admitted having from them?

WITNESS. I told you in my former examination that I gave $32,500 for it, and that I paid for it partly in bonds and partly in money. I gave exactly the value of $32,500 for this stock; no more and no less.

Mr. STEVENSON. What I want to ascertain is, in what you paid for that stock?

WITNESS. I testified before, that I paid for it partly in money and partly in the bonds of this road. I stated everything in relation to it. I stated the rate at which they took the bonds and everything about it.

Mr. STEVENSON. The point is, that this was not a separate transaction; it was connected with other transactions, and I want to inquire what those other transactions were.

The CHAIRMAN. I have already stated that the committee cannot allow that inquiry to be made.

Mr. STEVENSON. Then I have no other inquiry to make.

Mr. BLAINE. Now, I want to put Mr. Stevenson on the stand. I want him to state what aims he had in offering this resolution; what there was behind it, and whether he regarded himself as on friendly relations with the Speaker.

The CHAIRMAN said the committee must decline to recall Mr. Stevenson for that purpose.

WASHINGTON, D. C., *February* 15, 1873.

Mr. JOB E. STEVENSON appeared before the committee, and made the following statement:

I have here the journals of the house and senate of the State of Iowa, for the session of the legislature convened January 13, 1868. From the journal of the house, page 159, it appears that house file No. 139, for a bill "for an act resuming certain rights conferred on the Dubuque and

Pacific (now the Dubuque and Sioux City) Railroad," was introduced January 30, 1868; on page 218 it appears that this bill passed the house February 10, 1868. A message was received March 4 (as appears on page 229) from the senate that the bill had passed the senate. The bill was enrolled March 10, 1868, (as appears from page 329.)

In the same volume it appears that on March 7, 1868, file No. 271, a bill for an act to legalize, confirm, and carry out a contract between the Dubuque and Sioux City Railroad Company, and the Iowa Falls and Sioux City Railroad Company, and to extend the time for completing said railroad, was presented. On page 400 it appears that on March 16, 1868, the bill was reported from the committee, and on page 471 it appears that it passed the house March 25, 1868. On page 614 it appears that there was a message from the senate April 4, 1868, announcing the passage of the bill by the senate, and on April 7, 1868, on page 678, the bill was passed.

In the journal of the senate of the same session, on page 56, it appears that a bill to resume the land-grant (similar to the one introduced in the house) was introduced January 16, 1868. It was afterwards referred and reported with amendments February 7, 1868, as appears on page 159, when the house bill No. 136 was taken up in lieu of it and passed.

In relation to the passage by Congress of the act renewing the land-grant, extending the time for the completion of the Dubuque and Sioux City Railroad, I wish to refer to some remarks and votes.

From the Congressional Globe of January 16, 1868, the day on which the bill was passed by the House, (as appears from vol. 65, pages 568, 569,) I find that Mr. Wilson, of Iowa, took part in the debate, and in the course of his remarks in favor of the passage of the bill he said:

"The gentleman [speaking of Mr. Washburne, of Illinois,] charges that this is a bill the purpose of which is to transfer a land-grant in the State of Iowa to the Illinois Central Railroad Company. Now, if he knows anything about this, he knows that is not so. This land-grant is to inure to the benefit of the Dubuque and Sioux City Railroad Company, the grant being made to the State for the purpose of constructing that road. An arrangement has been made for the completion of that road from the present western terminus to the Missouri River. It is to be constructed by the company raised in Iowa, although it is true that, on the running uses of the road, the Illinois Central has a lease. But the road is owned and constructed by an Iowa corporation; and I can say to the gentleman from Illinois we never intend that the Illinois Central or any other company shall bring its corporate body into Iowa to do business there as in Illinois."

And again he says:

"I know they [meaning the Illinois Central Railroad Company] are not to build this road. It is to be built by an Iowa company."

It appears from the Journal of the House of Representatives that on a motion to lay the bill on the table, made by Mr. Washburne, of Illinois, January 16, 1868, among those recorded as voting in the affirmative is Mr. Scofield, of Pennsylvania. Among those recorded as voting in the negative are, Messrs. Oakes Ames, James Brooks, Grenville M. Dodge, Samuel Hooper, and James F. Wilson. Among those not voting are Messrs. William B. Allison and James G. Blaine.

On the engrossment and third reading of the bill, among those voting in the affirmative are Messrs. Oakes Ames, Grenville M. Dodge, Samuel Hooper, and James F. Wilson. Among those voting in the negative is

Mr. Glenni W. Scofield. Among those not voting are Messrs. William B. Allison, James G. Blaine, and James Brooks.

On the motion to reconsider the vote by which the bill was ordered to be engrossed and read a third time, among those voting in the affirmative is Mr. Glenni W. Scofield; in the negative are Messrs. Oakes Ames, James Brooks, Grenville M. Dodge, and James F. Wilson; and among those not voting are Messrs. William B. Allison, James G. Blaine, and Samuel Hooper.

Here are two letters from the Commissioner of the General Land-Office relating to the land-grant, which I propose to have entered on the record.

The letters are as follows:

A.

DEPARTMENT OF THE INTERIOR, GENERAL LAND-OFFICE,
Washington, D. C., February 11, 1873.

SIR: In reply to your inquiry of yesterday, asking whether lands have been certified or patented under the act of March 2, 1868, to the Iowa Falls and Sioux City Railroad Company of Iowa, I have the honor to state that no lands have been certified since April 7, 1863, at which time the grant was adjusted under the act of May 15, 1856, to the State for the benefit of the Dubuque and Sioux City Railroad Company, covering 1,226,163 $\frac{80}{100}$ acres.

Of this amount 10,179 $\frac{41}{100}$ acres are contiguous to the Dubuque and Sioux City Railroad line from Dubuque to Iowa Falls, and 1,215,984 $\frac{41}{100}$ acres contiguous to line of Iowa Falls and Sioux City road from Iowa Falls to Sioux City.

The said act of March 2, 1868, extended the time for completion of road seven years, and authorized the line to be constructed on the most practicable route by the way of Webster City and Fort Dodge to Sioux City, but no provision is made for granting additional lands along the new authorized route.

There are no lands of Iowa Falls and Sioux City Railroad Company, assignees of Dubuque and Sioux City Company, in dispute with other grants, except the so-called Des Moines River lands.

In regard to pre-emptions, I have to report there are three cases pending in the Department.

Very respectfully,

WILLIS DRUMMOND,
Commissioner.

Hon. JOB E. STEVENSON,
House of Representatives.

B.

DEPARTMENT OF THE INTERIOR, GENERAL LAND-OFFICE,
Washington, D. C., February 14, 1873.

SIR: In answer to your letter of 12th instant, asking further information regarding the certified lands of the Dubuque and Sioux City and the Iowa Falls and Sioux City Railroads, in Iowa, I have the honor to state that the 10,179 $\frac{41}{100}$ acres, stated in my letter of 11th instant to be the quantity certified for road from Dubuque to Iowa Falls, covered *all* the vacant and unappropriated lands along that portion of line of road, leaving the deficiency to be made up west of Iowa Falls.

As to the lands set apart for each of said companies, I have to state that the matter of division was left altogether with the State authorities, and, for the reason that no copy of the transaction has been filed, I am unable to state the quantity set apart by the State.

I present, however, a statement of the quantity of land certified along the whole line from Dubuque to Sioux City, which is 1,226,163 $\frac{44}{100}$ acres.

Estimating the length of Dubuque and Sioux City road to Iowa Falls to be 140 miles, and six sections to the mile, would give 537,600 acres.

Estimating the length of Iowa Falls and Sioux City road from Iowa Falls to by 179 miles and a fraction, would give the company 688,563 acres, which, added to the former, make the quantity as stated for the whole line, and the quantity certified for road as per my letter of 11th instant, 1,215,984 $\frac{44}{100}$ acres.

Very respectfully,

WILLIS DRUMMOND,
Commissioner.

Hon. JOB E. STEVENSON,
House of Representatives.